By Mrs. GRASSO (for herself, Ms. ABZUG, Mr. ADAMS, Mr. BEARD, Mr. BENITEZ, Mrs. BOGGS, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COTTER, Mr. DOMINICK V. DANIELS, Mr. FRASER, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mrs. HECKLER of Massachusettts, Mr. HELSTOSKI, Mr. LONG of Maryland, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. PATTEN, Mr. ROSENTHAL, Mrs. SCHROEDER, Mrs. SULLIVAN, and Mr. YATES):

H.R. 17371. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

By Mr. HAWKINS:

H.R. 17372. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 17373. A bill to amend the Jury Selection and Service Act of 1968, as amended, to clarify the qualification section of that act with regard to service by persons whose civil rights have been restored; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. GRASSO, and Mr. STEELE):

H.R. 17374. A bill to impose additional standards with respect to the construction, conversion, and operation of oil tankers in order to prevent the pollution of the marine environment, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MACDONALD:

H.R. 17375. A bill to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes; to the Committee on Science and Astronautics.

By Mr. MARAZITI (for himself, and Mr. GILMAN):

H.R. 17376. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. STRATTON (for himself and Mr. PREYER):

H.R. 17377. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of Missouri:

H.R. 17378. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 17379. A bill to amend title 38 of the United States Code to provide that World War II and Korean conflict veterans entitled to educational benefits under any law administered by the Veterans' Administration who did not utilize their entitlement may transfer their entitlement to their children; to the Committee on Veterans' Affairs.

By Mr. LATTA:

H.R. 17380. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. MOSHER (for himself, Mr. BADILLO, Mr. CLARK, Mr. DUNCAN, Mr. FORSYTHE, Mr. HANRAHAN, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. QUIE, Mr. RONCALLO of New York, Mr. STARK, and Mr. WON PAT):

H.R. 17381. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. NEDZI (for himself, Mr. THOMPSON of New Jersey, Mr. GRAY, Mr. BRADEMAS, Mr. GETTYS, Mr. FRENZEL, and Mr. BUTLER):

H.R. 17382. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. PEPPER:

H.R. 17383. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. STRATTON (for himself, and Mr. KING):

H.R. 17384. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

[*Omitted from the Record of Oct. 11, 1974*]

By Mr. MARTIN of North Carolina:

H.J. Res. 1162. Joint resolution to limit expenditures and net lending during the fiscal year 1975 to $297 billion, and for other purposes; to the Committee on Ways and Means.

By Mr. DICKINSON:

H. Con. Res. 675. Concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition); to the Committee on House Administration.

By Mr. FASCELL:

H. Res. 1439. Resolution expressing the sense of the House with respect to the consideration and reporting of a concurrent resolution on the budget for the fiscal year 1976; to the Committee on Government Operations.

By Mr. FUQUA:

H. Res. 1440. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. HARRINGTON (for himself, Mr. EDWARDS of California, Mr. EILBERG, and Mr. HAWKINS):

H. Res. 1441. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Intelligence Operations, and for other purposes; to the Committee on Rules.

By Mr. HASTINGS:

H. Res. 1442. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on Foreign Affairs.

By Mr. LITTON (for himself, Mr. HARSHA, Mr. JOHNSON of Colorado, and Mr. MEZVINSKY):

H. Res. 1443. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. PATMAN:

H. Res. 1444. Resolution to rescind the Executive order lifting restrictions on beef imports; to the Committee on Ways and Means.

By Mr. ROE (for himself, Mr. DINGELL, Mr. HEINZ, Mr. MITCHELL of New York, and Mr. RINALDO):

H. Res. 1445. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on Foreign Affairs.

[*Submitted Oct. 15, 1974*]

By Mr. MAHON:

H.J. Res. 1163. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

By Mr. BLACKBURN:

H. Con. Res. 676. Concurrent resolution to establish a target of $297 billion, for budget outlays for fiscal year 1975; to the Committee on Appropriations.

By Mrs. GRASSO:

H. Res. 1447. Resolution expressing the sense of the House that the price of domestic oil shall not be decontrolled; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SYMMS:

H.R. 17385. A bill for the relief of Northwest Nazarene College, Nampa, Idaho; to the Committee on Education and Labor.

By Mr. TOWELL of Nevada:

H.R. 17386. A bill for the relief of Gong Sing Hom; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

535. The SPEAKER presented a petition of the 116th convention of the International Typographical Union, relative to the death of Frank Teruggi, Jr., in Chile; to the Committee on Foreign Affairs.

SENATE—*Tuesday, October 15, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Reverend Dr. C. Leslie Glenn, canon and subdean of Washington Cathedral, Mount St. Alban, Washington, D.C., offered the following prayer:

O God, our Heavenly Father, we give Thee thanks for the good examples of all those Thy servants who are spending their lives in the service of our country, especially now the Members of the Senate. Pour upon them Thy mercy that the good work which Thou hast begun in them may be perfected.

Grant them in all their doubts and uncertainties the grace to ask what Thou wouldst have them to do, that the spirit of wisdom may save them from all false choices, that in Thy light they may see light and in Thy straight path may not stumble.

Bless these ever more dear United States; give Thy people grace fearlessly to contend against evil and to make no peace with oppression. And that we may reverently use our freedom, help us to employ it in the maintenance of justice among men and nations, to the glory of Thy holy name, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 15, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, October 11, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 1212 and 1213.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF THE INTERCOASTAL SHIPPING ACT

The Senate proceeded to consider the bill (S. 3173) to amend the Intercoastal Shipping Act, 1933, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That section 5 of the Intercoastal Shipping Act, 1933, as amended (46 U.S.C. 845b, is amended by changing the period at the end thereof to a comma and adding thereto the words: "and shall apply to the carriage, storage, or handling of property for the United States, State, or municipal government, or for charitable purposes.".

SEC. 2. Section 6 of the Intercoastal Shipping Act, 1933, as amended (46 U.S.C. 846), is deleted.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (S. Rept. 93–1278), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to provide for the regulation of the transportation of government and charitable cargo in the domestic offshore trades in the United States by the Federal Maritime Commission to insure that the ocean freight rates in these trades meet the same statutory standards of reasonableness and fairness currently applicable to rates charged for the transportation of commercial cargo in these trades. This objective would be achieved by deleting section 6 of the Intercoastal Shipping Act, 1933, as amended, which permits the carriage of government and charitable cargo at free or reduced rates, and by amending section 5 of that Act, so as to expressly apply the other provisions of that Act to these classes of cargo.

BACKGROUND

This proposed legislation was introduced on March 13, 1974 by Senator Inouye. Hearings on the bill were held on August 9, 1974, and the bill was ordered favorably reported with an amendment by the full Committee on September 25, 1974.

During the hearings, only the representative of the Military Sealift Command, in behalf of the Department of Defense, testified against the bill. Enactment of the legislation is supported by the Department of Commerce and the Department of Transportation. James Day, Vice-Chairman of the Federal Maritime Commission, which administers the Intercoastal Shipping Act of 1933, testified favorably on the legislation at the hearings.

NEEDS

The Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, authorize the Federal Maritime Commission to exercise economic regulation over the rates and practices of common carriers by water in the domestic offshore trades of the United States, that is, the trades between the mainland United States and Hawaii, Alaska, Puerto Rico, Guam, American Samoa, and the Virgin Islands.

The 1933 Act was originally enacted to subject common carriers by water operating between the U.S. Atlantic/Gulf Coasts and the Pacific Coast via the Panama Canal to complete economic regulation by the Federal Maritime Commission's predecessor agency. Section 6 of the Act (originally section 4) was proposed by the Federal Coordinating Service (a predecessor agency of the General Services Administration) for the purpose of enabling intercoastal steamship carriers to operate on an equitable basis with rail carriers, with which they were presumably competing. Rail carriers are permitted to grant reduced rates to the government under section 22 of the Interstate Commerce Act.

The provisions of the Intercoastal Shipping Act, 1933, were made applicable to domestic offshore carriers in 1938. Under the Transportation Act of 1940, jurisdiction over intercoastal water carriers was transferred to the Interstate Commerce Commission. This meant that domestic offshore carriers were left subject to a statutory provision, section 6, which was not designed for them either historically or economically and that the carriers for which it was originally intended were removed from jurisdiction of the Act. Since 1938, the Federal Maritime Commission has been administering a provision for which the rationale has long since disappeared.

Section 6 has operated to prevent the Federal Maritime Commission from exercising the same economic regulation over government and charitable cargo that it currently has over commercial cargo. Although the section is permissive in theory, in practice it has resulted in substantially lower rates for governmental cargoes than for comparable commercial cargo.

The principal beneficiary of this section has been the Department of Defense. The freight rates for much of the military cargo in domestic offshore trades are negotiated between the Navy Department's Military Sealift Command and the carrier. Contracts with the General Services Administration follow the MSC contract, but the GSA impelled volume is much lower. There are presently no charitable rates filed with the Federal Maritime Commission. Government rates are filed on an informational basis only since the effect of section 6 has been to strip the Commission of the right to determine, prescribe and enforce just and reasonable rates for government cargoes.

In its negotiations with carriers in the offshore domestic trade, the Military Sealift Command adheres to the Armed Services Procurement Regulations, which disallow a number of substantial operating costs of the carriers. These regulations produce preferential, or lower, rates for the carriage of military cargo. The steamship companies, in order to maintain a profit margin sufficient to attract capital and maintain their investment, must either absorb the rate differential or pass them on to their shippers who in turn usually pass them on to the consuming public. Thus, preferential rates for military cargo can ordinarily be translated into higher rates for commercial shippers unless the carriers absorb the costs.

Improvements in the financial results of the service in the domestic offshore trades would have the practical effect of possibly delaying the imposition or reducing the amount of any future general increase in commercial rates. Any future general rate increase required to bring a carrier's rate of return on investment to a more acceptable level would be spread over a broadened cargo base. This would effectively reduce the percentage of increase assessed against commercial rates.

Deletion of section 6 need not mean that the government and commercial rates will be the same. In instances where the government can show that there are cost savings in the carriage of government cargo, it would be entitled to obtain lower rates. Furthermore, the government would have the full protection of the 1933 Act against unfair rates and/or procedures.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972

The bill (H.R. 15540) to extend for 1 year the authorization for appropriations to implement title I of the Marine

Protection, Research, and Sanctuaries Act of 1972, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-1279), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of H.R. 15540 is to amend the Marine Protection, Research, and Sanctuaries Act of 1972, in order to authorize for fiscal year 1975 appropriations of not to exceed $5,500,000 to carry out the purposes of title I of the Act. This statute, commonly referred to as the Ocean Dumping Act, is the Federal Government's mechanism for controlling and regulating the dumping of land-generated wastes at sea. This bill extends that statute for an additional year.

BACKGROUND AND NEED

In April 1970, the Council on Environmental Quality was directed by the President to make a study of disposal of waste materials in the oceans. In October 1970, the Council completed and published its Report to the President. The Report, which was entitled "Ocean Dumping—A National Policy", formed the basis for the Administration legislative proposal that became the Marine Protection, Research, and Sanctuaries Act of 1972 (Public Law 92-532). Public Law 92-532, which was reported by the Committee on Commerce in the second session of the 92d Congress, enacted into law the basic recommendations of CEQ's Report on Ocean Dumping.

During the period that Public Law 92-532 was being developed in the Congress, the Executive was taking action to achieve an international agreement covering the same subject matter. That initiative ultimately culminated in the Convention on the Preventions of Marine Pollution by Dumping of Wastes and Other Matter. This Convention has been ratified by the United States and its provisions were incorporated into the basic Domestic Ocean Dumping Act by Public Law 93-254, enacted March 22, 1974. Certain provisions of the amendatory legislation became effective immediately upon enactment. Other provisions will come into effect when the Convention enters into force.

The basic Act, as amended, provides for a regulatory scheme to control all materials transported from the United States for the purpose of dumping the material into ocean waters. In addition, the Act controls the dumping of materials originating outside the United States, if such dumping takes place in ocean waters subject to the jurisdiction or control of the United States or if the transportation is undertaken by Federal departments and agencies or on U.S-flag vessels.

The Marine Protection, Research, and Sanctuaries Act of 1972 was enacted into law on October 23, 1972, and became effective 6 months thereafter on April 23, 1973. In passing this legislation, the Congress made a national commitment for the protection of a part of the environment which had not previously been the subject of any protective regulatory activities. Rather than a reactive measure, the Act anticipated the national need to protect ocean waters, which are so vital to the continued existence of mankind. Prior to the passage of the basic Act, some 200 dumping sites were in use for disposal of waste materials at sea and only 10 of those sites had even been studied as to the potential impact of disposal on the ocean environment. There was, therefore, a great dearth of the knowledge on the subject and more information and greater understanding needed to be acquired if the permit program for ocean waste disposal was to be managed rationally. The Act, therefore, imposes specific research responsibilities on the National Oceanic and Atmospheric Administration, in addition to the general permit responsibilities of the Environmental Protection Agency and of the Army Corps of Engineers.

The Ocean Dumping Act is being extended for 1 year to enable the Committee to conduct oversight hearings during the first session of the 94th Congress. Further extension will depend on the findings of such congressional investigation.

It is clear that the Congress has made a national commitment in this area, and that the United States has extended that commitment internationally by ratifying the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter. The present authorization for funding under the Act, however, expired on June 30, 1974. Although the program may continue to operate through September 30, 1974, under the terms of the joint resolution, passage of H.R. 15540 is essential to permit it to continue thereafter. The request for a 2-year extention of title I of the Act was included in an Executive Communication from the Environmental Protection Agency, dated June 20, 1974. As noted, the Committee has decided that an extension of 1 fiscal year should be legislated to allow completion of the oversight hearings, since passage of the bill is essential in order to permit the program to continue. The Committee, therefore, approved the House amendment to accomplish the 1-year extension and, by unanimous voice vote, recommended favorable action on the bill.

ESTIMATED COSTS

Pursuant to section 252 of the Legislative Reorganization Act of 1970, the Committee estimates that the additional cost to the Government as a result of the enactment of H.R. 15540 would be not more than $5.5 million for 1 year.

GIFTS AND POLITICAL CONTRIBUTIONS

Mr. HUGH SCOTT. Mr. President, where is the American Civil Liberties Union?

There has been blown up a frenetic furor affecting the civil rights of an individual, and few have risen to his defense. There is an enormous clattering of the cackling claques concerning the right of a man to be generous with his own means.

I cannot find in the Constitution or the Bill of Rights or the amendments that it is legally or morally wrong for a man to do what he will with his money, so long as he does not violate any law or offend the conscience or the sense of right of those who would have the responsibility of standing in judgment upon him or those who would be expected to base their opinions on issues of right or wrong.

The Vice-President-designate is written up in every paper, and questions are asked of every public official, beginning, "What do you think of Governor Rockefeller's gifts?"

Approximately one-fifth of the Senate and the House have received those gifts in the form of campaign contributions. I do not believe they questioned it at the time. They were members of both parties in the House and in the Senate.

As is well known, I am opposed to the whole system of political contributions. The Senator from Massachusetts (Mr. KENNEDY) and I succeeded in having passed in this body a measure, which was not accepted by the other body in conference, which would have provided for public financing of congressional elections. But, as long as this is the system under which we live, I think those who have benefited from contributions from their supporters who believe in them are ill-advised to assume a mantle of indignation if someone has legitimately made such contributions in political campaigns.

Surely, there is no legal or moral wrong where one has had an employee or an aide work for him for 6, 8, 10, or 12 years, where in one case a man gave up his entire career to work for Governor Rockefeller. Those people are rewarded after their service in the same way in which businesses award bonuses or gratuities to their associates or former associates. Labor unions provide it for men retiring after distinguished service; business corporations provide for it. Yet, an unwarranted implication is being set up here as if acts of generosity were wrong. Mr. Charles Bartlett, in his column, points out how hypocritical that is, and he is right.

In my opinion, if you are going to say that someone who gives one, two, three million dollars a year to charity has no right to do it, then change the law. If you are going to say that a man has no right to reward those who have worked for him for many years, at the cost of what they might have been doing otherwise, then change the law. If you are going to say that political contributions cannot be made, then change the law, as the Senator from Massachusetts (Mr. KENNEDY) and I have urged. But do not engage in all this mewling and puking hypocrisy which nobody who writes it believes and nobody who speaks it believes.

I am tired of that kind of nonsense going on. I think we ought to set the record straight, and I am seeking to do just that.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan suggest the absence of a quorum on his time?

Mr. GRIFFIN. Yes.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I yield back any time that I may have remaining under the special order.

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senator from West Virginia (Mr. ROBERT C. BYRD) is now recognized for not to exceed 15 minutes.

MEASURES ORDERED TO BE PLACED ON THE CALENDAR—SENATE CONCURRENT RESOLUTION 118 AND SENATE RESOLUTION 430

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 118, to establish a ceiling on fiscal year 1975 expenditures, which is coming over under the rule, and Senate Resolution 430, to express the sense of the Senate that the domestic price of oil not be decontrolled, which is coming over under the rule, be placed on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXEMPTION FROM DUTY ON CERTAIN FORMS OF ZINC—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I submit a report of the committee of conference on H.R. 6191, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6191) to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

Mr. ROBERT C. BYRD. Mr. President, I ask that further action on the conference report be delayed briefly.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Later in the day the following proceedings occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Louisiana (Mr. LONG) in explanation of the conference report.

The ACTING PRESIDENT pro tempore. Witthout objection, it is so ordered.

STATEMENT BY SENATOR LONG

The original House bill would have suspended until June 30, 1977 the duty on zinc-bearing ores, zinc dross and zinc skimmings and zinc-bearing materials. The first Senate amendment to the bill also provides for the temporary duty-free treatment of zinc waste and scrap. The House has accepted this amendment.

The second amendment made by the Senate to the bill deals with certain disaster losses where taxpayers were allowed flood casualty loss deductions and subsequently were compensated for those losses based on claims of tort. The amendment specifies that a taxpayer in these circumstances, instead of taking the compensation into income in the year received, may reduce the basis of the damaged property (or replacement property) by the amount of compensation received, up to a maximum of $5,000, in terms of tax benefits. This amendment is intended only to benefit lower income people, which is why the provision provides a reduction of the $5,000 tax benefit to the extent of the ratio of the taxpayer's adjusted gross income to $15,000. For example if a taxpayer has $30,000 of adjusted gross income in a year, he will be limited to one-half of the maximum $5,000 of tax benefits, or to $2,500. The amount of the benefits in excess of this level are to be included in income of a taxpayer in equal installments over a 5-year period. As a result, the excess amount would be spread over this period of years rather than being included in the income in a single year.

The House has agreed to this amendment and proposed its application to other aspects of disaster losses. As a result, the income tax consequences of this amendment will also be applied in the case of the cancellation of certain Federal disaster assistance loans made during 1972. These cases concern the tax treatment of the disaster losses resulting from Hurricane Agnes and certain other serious disasters in 1972 which produced severe hardships on the part of the people affected by them. As a result of these disasters, Federal disaster assistance loans were made and, subsequently, these loans were forgiven. From a tax standpoint, this forgiveness is required to be taken into income by the taxpayers. This amendment provides that if such a loan is cancelled in whole or in part, the taxpayer does not have to include that forgiveness in income for that year. The maximum amount of a disaster loss which could be cancelled under Federal law to which this amendment applies is $5,000. This provision, as in the case of the original Senate amendment, is intended to apply to lower income taxpayers. Thus, if a taxpayer's income is less than $15,000, the entire amount forgiven—to the extent of a tax benefit of $5,000—would be disregarded for income tax purposes. If the taxpayer's income is above $15,000, he is permitted to disregard for tax purposes a percentage of the amount cancelled equal to the ratio of his income to $15,000.

The Senate conferees believe that both of these amendments are equitable and are badly needed by those victims of disaster losses if they are to recover from their severe hardships.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I move the adoption of the conference report on H.R. 6191.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virgina.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

At the end of the said statement, insert:

(d) (1) In the case of an individual—

(A) who was allowed a deduction under section 165 of the Internal Revenue Code of 1954 (relating to losses) for a loss attributable to a disaster occurring during calendar year 1972 which was determined by the President, under section 102 of the Disaster Relief Act of 1970, to warrant disaster assistance by the Federal government, and

(B) who received a disaster loan under section 7 of the Small Business Act or an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act, for purposes of determining the amount of the deduction allowable under such section 165 of the Code with respect to such loss, and for purposes of the determining gross income under section 61 of such Code, such an individual is not required to take into account any part of any such loan which was cancelled under the provisions of section 7 of the Small Business Act or section 328 of the Consolidated Farm and Rural Development Act, except to the extent required under paragraph (2).

(2) In the case of an individual described in paragraph (1) whose adjusted gross income for the year in which the loss occurred exceeded $15,000, the provisions of such paragraph apply only to so much of any loan cancelled under the provisions of section 7 of the Small Business Act or section 328 of the Consolidated Farm and Rural Development Act as bears the same ratio to the amount so cancelled as $15,000 bears to such individual's adjusted gross income for such taxable year.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I move that the Senate concur in the House amendment to Senate amendment No. 2.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

ORDER FOR ADJOURNMENT UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until the hour of 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(A subsequent order provided for adjournment to 10 a.m. tomorrow.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HELMS) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT OF THE SENATE

ENROLLED BILLS SIGNED

Under authority of the order of the Senate of October 11, 1974, a message from the House of Representatives was received on October 11, 1974, stating that the Speaker had affixed his signature to the following enrolled bills:

S. 3234. An act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes; and

H.R. 12628. An act to amend title 38, United States Code, to increase vocational rehabilitation subsistence allowances, educational and training assistance allowances, and special allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish an education loan program for veterans and persons eligible for benefits under chapter 34 or 35 of such title; to make other improvements in the educational assistance program and in the administration of educational benefits; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service, by increasing the employment of veterans by Federal contractors and subcontractors, and by providing for an actioon plan for the employment of disabled and Vietnam era veterans within the Federal Government; to codify and expand veterans' reemployment rights; and for other purposes.

MESSAGES FROM THE HOUSE

At 12:25 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 7730) to authorize the Secretary of the Interior to purchase property located within the San Carlos mineral strip, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3838) to authorize the regulation of interest rates payable on obligations issued by affiliates of certain depository institutions, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 13342) to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 12281) to continue until the close of June 30, 1975, the suspension on certain forms of copper.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 15643) to reorganize public postsecondary education in the District of Columbia, to establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes.

The message further announced that the House passed the following bill and agreed to the following concurrent resolution in which it requests the concurrence of the Senate:

H.R. 16925. An act to make technical amendments to the Act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes; and

H. Con. Res. 667. A concurrent resolution to establish a target for budget outlays for fiscal year 1975 in the amount of $300 billion.

The message also announced that, pursuant to the provisions of section 5, Public Law 93-426, the Speaker appointed Mr. Rees and Mr. J. William Stanton members on the part of the House of the National Commission on Supplies and Shortages.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6191) to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty; that the House recedes from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of June 30, 1977.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7780) to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk; that the House recedes from its disagreement to the amendment of the Senate numbered 3 and concurs therein; that the House recedes from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11251) to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as a fuel; that the House recedes from its disagreement to the amendments of the Senate numbered 4 and 5 to the aforesaid bill and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11452) to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill and concurs therein; and that the House recedes from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12035) to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4 and concurs therein, each with amendments, in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses; that the House recedes from its disagreement to the amendments of the Senate numbered 1 and 2, each with amendments, in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976; that the House recedes from its disagreement to the amendments of the Senate numbered 7 and 9 and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 5, 6, and 8 and concurs therein, each with amendments, in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

At 3 p.m., a message from the House of Representatives by Mr. Hackney announced that the House has passed without amendment the joint resolution (S.J. Res. 250) to extend the Regional Rail Reorganization Act's reporting date, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 14597) to increase the limit on dues for U.S. membership in the International Criminal Police Organization.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 15736) to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes.

The message also announced that, on reconsideration, and two-thirds of the House of Representatives not having voted in the affirmative, the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, returned by the President of the United States with his objections, failed of passage.

The message further announced that, on reconsideration, and two-thirds of the House of Representatives having voted in the affirmative, the bill (H.R. 15301) to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, returned by the President of the United States with his objections, was passed.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE) laid before the Senate the following letters, which were referred as indicated:

RETROACTIVE PAY INCREASES

A letter from the Director of the Office of Management and Budget certifying, pursuant to law, to the additional amounts needed by agencies of the legislative, judicial, and executive branches and furnished to the Treasury Department (with accompanying papers). Referred to the Committee on Appropriations.

REPORT OF THE ATOMIC ENERGY COMMISSION

A letter from the Assistant General Manager and Controller of the Atomic Energy Commission transmitting, pursuant to law, the 1974 Financial Report of the Commission (with an accompanying report). Referred to the Joint Committee on Atomic Energy.

PROPOSED LEGISLATION TO AMEND THE FEDERAL POWER ACT

A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend section 305 of the Federal Power Act (with accompanying papers). Referred to the Committee on Commerce.

PROPOSED TELECOMMUNICATIONS FACILITIES ACT OF 1974

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into during the past 60 days (with accompanying papers). Referred to the Committee on Foreign Relations.

REPORT OF THE ADVISORY COMMISSION ON INFORMATION

A letter from the Chairman of the Advisory Commission on Information transmitting, pursuant to law, the report of the Commission dated July 1974 (with an accompanying report). Referred to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General of the United States transmitting, pursuant to law, two reports entitled "Examination of Financial Statements of the National Flood Insurance Program Fiscal Year 1973" and "Examination of Financial Statements of the Federal Home Loan Mortgage Corporation for the Year Ended December 31, 1973" (with accompanying reports). Referred to the Committee on Government Operations.

REPORT OF NEGOTIATED SALES CONTRACTS

A letter from the Director, U.S. Department of the Interior, transmitting, pursuant to law, a report of negotiated sales contracts made under Public Law 87–698 (79 Stat. 587) for disposal of materials during the period January 1 through June 30, 1974 (with accompanying documents). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to allow for a more flexible treatment of rehabilitated persons (with accompanying papers). Referred to the Committee on the Judiciary.

ADDENDUM TO THE CONSUMER PRODUCT SAFETY COMMISSION'S 1976 BUDGET SUBMISSION

A letter from the Acting Director, Office of Resource Utilization transmitting, pursuant to law, an addendum to the Consumer Product Safety Commission's 1976 budget submission (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

GUARANTEED STUDENT LOAN PROGRAM—NOTICE OF PROPOSED RULEMAKING

A letter from the Under Secretary of Health, Education, and Welfare, transmitting, pursuant to law, notice of proposed rulemaking, guaranteed student loan program (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

REPORT OF THE CIVIL SERVICE COMMISSION

A letter from the Chairman of the Civil Service Commission transmitting, pursuant to law, a report entitled "Employment Programs for Public Offenders in the Federal Service" (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers). Referred to the Committee on Public Works.

PROPOSED LEGISLATION BY THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers). Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. PROXMIRE):

A resolution adopted by the Legislature of the Territory of Guam. Referred to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 301

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, with the passage and implementation of Public Law 12–85, the Twelfth Guam Legislature exercised an option under the Organic Act to confer substantial original and appellate jurisdiction over local matters to the reorganized Judicial Branch; and

"Whereas, it is paradoxical that this branch, whose jurisdiction is defined by local statute should be subordinate in status to the Executive and Legislative Branches which are created by federal law; and

"Whereas, it is indispensable for the perpetuation of a democratic system of government on Guam with an adequate system of checks and balances, that each of Guam's three branches of government be co-equal with powers derivative from a common source; and

"Whereas, it would be most desirable for Guam through an expression of its natural sovereignty to establish a common constitutional source for its government branches, this expression must regretably stem from a bilateral agreement between Guam and the United States; and

"Whereas, in the interim, it would be desirable that the Judicial Branch have jurisdiction over all litigation concerning the Guam Territorial income tax, and that litigants have a line of appeal and certiorari to the United States Supreme Court as is enjoyed by the people of the Free Associated State of Puerto Rico; now therefore be it

"*Resolved*, that the Twelfth Guam Legislature does hereby on behalf of the people of Guam respectively request, petition and memorialize the Congress of the United States of America to amend the Organic Act of Guam so as to establish the Judicial Branch as reorganized by Public Law 12–85 as a co-equal branch of the government of Guam, so as to confer jurisdiction over all litigation concerning the Guam Territorial income tax in the Judicial Branch and so as to establish a line of appeal and certiorari from the Guam Supreme Court to the United States Supreme Court; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of the Interior, to the Speaker of the House of Representatives, to the President of the Senate, to the Chairmen of the Committee on Interior and Insular Affairs, U.S. Senate and House of Representatives, to the Guam's Delegate to the U.S. House of Representatives and to the Governor of Guam.

"Duly and regularly adopted on the 23rd day of September, 1974.

"G. M. BAMBA,
"Legislative Secretary.

"F. T. RAMIREZ,
"Speaker."

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary:

George Beall, of Maryland, to be U.S. attorney for the District of Maryland;

Charles W. Koval, of Pennsylvania, to be U.S. marshal for the Western District of Pennsylvania; and

Johnny M. Towns, of Alabama, to be U.S. marshal for the Northern District of Alabama.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on the District of Columbia:

H.R. 16925. An act to amend technical amendments to the act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes.

ENROLLED BILL SIGNED

The enrolled bill (S. 3044) to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections, and for other purposes, having been previously signed by the Speaker of the House of Representatives, was signed today by the Acting President pro tempore (Mr. METCALF).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, October 15, 1974, he presented to the President of the United States the following enrolled bills:

S. 2362. An act granting the consent of Congress to the Cumbres and Toltec Scenic Railroad Compact; and

S. 3044. An act to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JACKSON:

S. 4141. A bill authorizing the erection of a statue to commemorate the founding of Marine Barracks, Washington, D.C., by President Thomas Jefferson. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON:

S. 4141. A bill authorizing the erection of a statute to commemorate the founding of Marine Barracks, Washington, D.C., by President Thomas Jefferson. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, just 174 years ago, the U.S. Marine Corps headquarters moved to Washington from Philadelphia.

During the summer they lived in tents, and during the winter in rented buildings. But the Commandant, William Ward Burrows, was a friend of President Jefferson, and they managed to get Congress to agree to an appropriation for a permanent barracks.

In their book, "A Compact History of the U.S. Marine Corps," Phillip N. Pierce and Frank O. Hough tell how Burrows and Jefferson rode together around Washington and finally selected a site in the southeast section of the city near the Washington Navy Yard.

The appropriation, however, was sufficient only to purchase the land and buy materials. So, the Marines built their own barracks and a house for the commandant. They moved in in 1805. Here they have since remained—in one of the oldest continuously occupied military posts in the United States.

Mr. President, I now introduce for appropriate reference a bill to commemorate the founding of the Marine Barracks by President Jefferson and Commandant Burrows. It calls for a statue of the two to be erected at an appropriate site at the barracks.

Felix DeWeldon, famed for his sculpture of the Iwo Jima World War II Memorial in Arlington, has offered to execute the work without fee.

I think this is most fitting, Mr. President, and I hope the Senate will act promptly on this legislation.

NOTICE OF HEARING

Mr. HRUSKA. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, November 14, 1974, at 10:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Donald D. Alsop, of Minnesota, to be U.S. district judge for the district of Minnesota, vice Philip Neville, deceased.

Juan R. Torruella Del Valle, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico, vice Hiram R. Cancio, resigned.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. MCCLELLAN) and myself.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. HRUSKA. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Marjorie W. Lynch, of Washington, to be Deputy Administrator of the American Revolution Bicentennial Administration (new position).

William E. Amos, of Maryland, to be a member of the Board of Parole for the term expiring September 30, 1980 (reappointment).

Frank X. Klein, Jr., of California, to be U.S. marshal for the northern district of California for the term of 4 years, vice George E. Tobin, term expired.

George J. Reed, of Oregon, to be a member of the Board of Parole for the term expiring September 30, 1980 (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, October 22, 1974, any representation or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

WHAT ABOUT CUBA?

Mr. CURTIS. Mr. President, all too often in our discussions recently concerning our policy towards the Castro regime in Cuba we have been left with the implication that we are only dealing with one small and rather insignficant nation. The usual nonsequitor that has been continually heard goes as follows: if we can have a detente policy and a lessening of tensions with the People's Republic of China and the Soviet Union, then certainly we should be able to get along with a small nation only 90 miles off our coast.

However, fetching such a proposition may sound on the surface, it fails to take into account either the nature of our detente policies with the Soviet Union or China nor the full parameters of the problems associated with Cuba. Although we have certainly had numerous discussions and agreements with the Soviet Union we have not deluded ourselves into thinking an adversary relationship between our two countries has ceased. Similarly most of our dealings with the communists in Peking have been generated by the mutual needs of our respective countries rather than any convergence of ideals and objectives. As in our dealings with China and the Soviet Union we must find some quid pro quo for reducing the present embargo we have maintained against Castro.

In most of the discussions so far on the change of policy toward Castro, all of the benefits of such an alteration appear to be on his side of the ledger. Largely because of the imposition of a Communist system upon the people of Cuba, Castro has continued to suffer severe economic dislocations. The only way that his regime has been able to survive in the past decade has been through a tremendous infusion of funds and materials from the Soviet Union. Both for Havana and Moscow this has been a very costly experiment in the creation of a western Communist system. Estimates of support given Castro run from 1 to 1.5 million per day. There is little wonder then that both Brezhnev and Castro would like to transfer part of their economic burden to the United States. But in the process of desiring an end to American hostility towards Castro, they have been unwilling to make any concessions of their own. Instead we have only had additional unconditional demands placed before us.

In a joint statement issued last February 4, 1974, in Havana, Castro and Brezhnev stated the following:

> The Soviet Union resolutely demands an end to the economic and political and other hostile actions taken against socialist Cuba. It reiterates that it considers the demand of the republic of Cuba for the unconditional removal of the American Guantanamo naval base from its territory as lawful and just, and fully supports this demand.

The close tie between the Soviet Union and Cuba should be a principal consideration as we discuss our own relationship with Castro. For all practical purposes, Cuba has become nothing less than a satellite of the Soviet Union. In 1972 trade between these two countries reached $992.5 million or 47.9 percent of all Cuba's foreign trade that year. The dependency of Cuba upon goods from the Soviet Union is revealed from the fact that 57.5 percent of the value of her imports come from the U.S.S.R. Only 25 percent of Cuba's total trade is with non-Communist countries.

The Soviet Union desires to reduce their economic burden in Cuba. But thus far they have only indicated that any change in policy by their client will come through major concessions by the United States. Thus just as in our dealings with the Soviet Union, such as the sale of wheat, they desire that the United States in effect subsidize their own inefficiencies.

The objective of the Soviet Union in Cuban-American relations was recently summarized quite well in an essay by Morris Rothenberg, research professor at the University of Miami Center for Advanced International Studies:

> Within the context of U.S. acceptance of Cuban terms, the U.S.S.R. would doubtless be more than happy to see the resumption of relations between the U.S. and Cuba. Moscow would consider this as an U.S. acceptance of the irreversibility of communism in Cuba and its ties with the U.S.S.R. as well as attainment by the Soviet Union of a permanent voice in the affairs of Latin America. Restoration of U.S.-Cuban relations would be interpreted as a U.S. "defeat" or, if Moscow felt benevolent, it might be described as a U.S. concession to "realism." It would be seen as meaning that the Monroe Doctrine, long since described by the Kremlin as dead, was being formally buried with U.S. concurrence.

The United States has successfully prevented the Soviet Union from using Cuba as a base for revolutionary expansion in the hemisphere. Having failed to increase Castro's influence in the hemisphere through the support of guerrilla warfare, the Soviets may be encouraging Castro to "legitimatize" his regime and in this manner draw governments away from their close relations with the United States.

First, I think Castro should release all political prisoners and repay the United States for property taken to show his sincerity.

RECOMMENDATIONS ON THE ECONOMY BY HON. COLEMAN LONG OF UNIONTOWN, ALA.

Mr. ALLEN. Mr. President, Hon. Coleman Long, of Uniontown, Ala., is a distinguished Alabamian and American. Mr. Long is one of our outstanding citizens, well versed in economics, statecraft, political science, and philosophy. He is an outstanding businessman and plantation owner and plantation owners in the early days of our Republic contributed the lofty principles and sound foundation upon which our country was founded. I regard him as one of our soundest and most illustrious citizens.

Needless to say, I can vouch for the high quality of his citizenship, honor, character and patriotism. I thought so well of him that I recommended to the President that he name him to the economic summit panel.

The President recommended to me that if Mr. Long would like his specific views on inflation included in the official record of the economic conference and considered by the President's team of economic advisers, that Mr. Long direct his recommendations to Mr. L. William Seidman, executive director, Conference on Inflation, the White House, Washington, D.C. 20500.

In compliance with the President's suggestion, Mr. Long wrote to Mr. L. William Seidman, under date of September 30, 1974, making his suggestions, and I ask unanimous consent that a copy of his letter be printed in the RECORD for the information of my colleagues in the Senate and in the House.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIONTOWN, ALA.,
September 30, 1974.

Hon. L. WILLIAM SEIDMAN,
Executive Director, Conference on Inflation, The White House, Washington, D.C.

DEAR SIR: In compliance with the suggestion of President Ford and Senator James B. Allen, I have outlined my ideas to be included in the official record of the Conference.

It is my intention to couch them in the simplest, most non-technical words in my vocabulary.

(1) The utter fallacy of the John Maynerd Keynes' theory of unbridled over-spending must be terminated. We must balance the budget.

(2) There is no easy way out of our present perilous situation. We must cut government spending to the bone. We must discontinue some unnecessary and non-productive Bureaucracies. We must come up with a surplus and make small token payments on the National Debt. All Monetary Bills originate in the Congress. The Congress must either face up to its responsibility now or accept its responsibility for the tragic destruction of our monetary system and our Democracy. I was in the Army of Occupation in World War One and served as Military Commander of the German Population in the Neuweid area. I saw the tragic results of total inflation and destruction of their monetary system. I pray to God that we will not suffer the same tragedy. We are tottering on the brink of that precipice now.

(3) The most collossal Flim Flam in our recent history is the social security performance. Our Government has collected over Four Hundred Billion Dollars from the workers of America and spent every penny of it. To compound this irresponsible action, they have secreted this fact and do not even mention it in the stated Public Debt.

(4) We have four intelligent, straight thinking men in office now. They are Secretary of the Treasury, William Simon; Federal Reserve Bank Chairman, Arthur Burns; Economist, Allen Greenohan; and American Bankers Association President, Rex Morthland. Let's use them and support them.

Yours Sincerely,
H. COLEMAN LONG.

THE ECONOMY: A CITIZEN'S VIEW

Mr. HELMS. Mr. President, in recent weeks we have heard and read a great deal about the current plight of our Nation's economy. One of the primary concerns has been the present rate of spiraling inflation and the resulting high interest rates which are stifling credit and strangling the housing industry.

Of course, as Senators are aware, I firmly believe that the only real solution is a balanced Federal budget and reduced Government spending. The President has expressed his belief that we must limit spending. I strongly support him in that view.

In addition, we must listen to our constituents, the people back home, who are suffering the consequences of the folly of deficit spending. We must realize that they want Congress to act responsibly in the appropriation of their tax dollars.

A great many people have written to me expressing their thoughts on inflation and the economy generally. Naturally, there are numerous and diverse views. However, one constant theme threads its way through all of the letters: Balance the budget, cut spending.

I would like to share with my fellow Senators one such letter. It is from a citizen of Cary, N.C. It is an example of a concerned citizen who is thinking about the problem and searching for solutions. Mr. President, I hope that those of us in the Congress can address ourselves to the problem and that we too can search for solutions—real solutions to the real problems—not simply temporary steps that serve only to prolong the inevitable and aggravate the illness, but forthright realizations that we must act responsibly in the appropriations process, that we cannot continue the follies of the past.

Mr. President, I ask unanimous consent that a copy of a letter dated October 4, 1974, from Mrs. Jean Hunt of Cary, N.C., be printed in the RECORD at the conclusion of this statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CARY, N.C.,
October 4, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: I have followed with much interest your hedge against inflation summit conferences and agree with your stand that something must be done.

As a Realtor, I have seen first hand how the housing market has been affected by high building costs and escalated interest rates. My view is that the public cannot pay the current cost of money and I have heard all of the arguments which by innuendo contend that this is better than no money, etc.

May I point out one or two things for your consideration? First on my list is what I term government interference or subsidy programs. As you know, buyers are subsidized to buy new homes under the "tandem" plan whereby they can secure 7¾% interest rates. The builder is also subsidized inasmuch as he can pay only 4½% discount rates.

The ordinary individual homeowner is therefore discriminated against because the man who buys his home has to pay at least 9½% interest and the seller pays as high as 10% discounts. Naturally, the buyer will shop for the new home first.

My point of view is that if all government affiliated interest rates were consistent and the government would desist selling high interest bonds, which in effect would help Savings & Loan banks, our housing market would correct itself by supply and demand.

Secondly, because of the current high interest rates we have banks which refuse for loans already on the books to be assumed simply because they want to reinvest the money at higher rates. In many cases this kills the sale of the home in question and has really put a crimp in many real estate sales.

I have seen bankers commit to loan money at one rate and go up so consistently with market conditions that they would kill sale after sale. I'm referring to banks who commit for permanent loans if they have the construction loans.

Bankers have enjoyed "high on the hog" returns for so long that we have as many as four banks on one corner. Now they are lamenting because some of their participation projects are now becoming defunct.

Third, I do hope that Congress will strive for a balanced budget. I know that Senator Helms has advocated this long before and since he went to Washington.

As a consumer, I find that across the country utility bills are out of sight. When an average homeowner pays upwards of fifty dollars per month for electricity he has been had. Nevertheless, this is happening. We were for years sold a bill of goods regarding electrical appliances and the need for them. Women can still hang out their wash and cut bills tremendously. If they will cut off water heaters at least half a day, it will reduce the bill by a high percentage. In some cases, near fifty percent.

My last say is please do not push for the extra gas tax that you have advocated. I think the gas purge has gone far enough. More production will increase taxes. That is all the public can stand.

I do not envy you your job, Mr. President, and I am not being critical because you have an awesome job at best. I just hope that my opinions will merit some consideration in your decisions.

Kindest personal regards to you and your family. I have prayed for your wife's complete recovery.

Sincerely,

MRS. JEAN HUNT.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 15 minutes.

The motion was agreed to and, at 12:20 p.m., the Senate took a recess until 12:35 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the period for routine morning business for not to exceed 15 minutes with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 667—HELD AT THE DESK PENDING FURTHER DISPOSITION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Concurrent Resolution 667, a resolution to establish a target for budget outlays for fiscal year 1975 in the amount of $300 billion, be held at the desk until and pending further disposition on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUSPENSION OF DUTY ON CERTAIN BICYCLE PARTS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG I submit a report of the committee of conference on H.R. 6642, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33368.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Louisiana (Mr. LONG) in explanation of the conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The first four Senate amendments to the bill are simply clerical amendments reflecting the fact that new sections were added to the Senate bill.

Senate amendment 5 applies to the moving expense deduction for military personnel. Since enactment of the 1969 Tax Reform Act, the Internal Revenue Service has, by administrative determination, provided a moratorium with respect to the application of the new moving expense rules in the case of members of the armed services. The most recent extension of the IRS moratorium expires at the end of the present Congress. The Senate amendment extended this moratorium until January 1, 1975, to permit a staff study to be made of possible legislative solutions pertaining to the difficulties presented.

The modification of this amendment agreed to by the House extends the moratorium with respect to the application of the new moving expense provisions to military personnel until January 1, 1976, and makes it clear that this moratorium also applies to the Coast Guard as well as other branches of the armed services.

The sixth Senate amendment repeals the excise tax and other regulatory tax provisions relating to filled cheese. These provisions are no longer necessary because the tax was originally for non-revenue purposes and has produced little revenue. Moreover, the regulatory aspects dealing with filled cheese are presently being handled by the Food and Drug Administration. The House has accepted the Senate amendment.

Senate amendment 7 permits private foundations whose assets are largely invested in the stock of a multistate regulated company (which investment represents 90 percent or more of the stock of the company) to exclude the value of this stock in computing the amount of their required charitable distributions under the private foundation provisions. This amendment permits the retention of 51 percent of the stock of the company in cases of this type by permitting such investments to be ignored in applying the charitable distribution provisions. The House has accepted this Senate amendment.

Current regulations of the Treasury Department require employers to report the wages of their employees on five separate reports each year. In addition to the annual W-2 form which shows the total amount of annual wages paid to and taxes withheld from each employee, employers also must file a form 941-A at the end of each calendar quarter showing how much they paid to each employee in wages subject to social security tax. Senate amendment 8 was designed to reduce this paperwork burden on private employers by changing certain social security procedures which now make these quarterly reports necessary. Under the Senate amendment, the Treasury Department would have been able to change its regulations to permit private employers to file a single, annual report on a modified W-2 form for each employee and to dispense with the 4 quarterly 941-A reports.

The substitution of a single combined annual report of wages for social security and income tax purposes for the present system which is particularly burdensome to the millions of small businessmen who, for the most part, must make these multiple reports out by hand has been under study for many years. For example, a September, 1971 report of the President's Advisory Council on Management Improvement recommended that a system to achieve this objective be designed and the necessary legislation be submitted. A similar recommendation was presented in an April, 1973 report on "The Federal Paperwork Burden" by the Select Committee on Small Business. The Senate Conferees were, therefore, very reluctant to agree to the deletion from the bill of this amendment which appeared to offer a means of achieving this long-desired relief for small businessmen. The House, however, was not willing to accept the Senate amendment at this time in view of the fact that an intensive study of this matter is currently underway in the Executive branch. The House amendment, therefore eliminates the Senate-passed provisions which would have implemented a system of annual reporting of social security wages and provides instead a statutory basis for the study of this issue. Under the terms of the amendment, however, a joint report of the results of this study including recommendations for implementing such a system must be sent to the Committee on Ways and Means and the Committee on Finance by the Secretaries of Treasury and HEW by the end of this year. The Conferees were assured by the representatives of the Administration that this deadline could and would be met. I am hopeful therefore that, on the basis of this report, we will be able to pass implementing legislation early in the 94th Congress.

The final Senate amendment, number 9, increases the amount of carbon dioxide that may be contained in still wines from 0.277 to 0.392 grams per 100 milliliters of wine. This increase is intended to improve the shelf life of wines with low alcoholic content by permitting the addition of a little more carbon dioxide. It does not change the tax status of these still wines. The House has accepted this Senate amendment.

Mr. ROBERT C. BYRD. Mr. President, I move the adoption of the conference report on H.R. 6642.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein within the following amendments:

(1) Page 1, line 15, of the Senate engrossed amendments, strike out "SEC. 22", and insert: "SEC. 82".

(2) Page 2 of the Senate engrossed amendments, strike out "Secretary of Defense" each place it appears, and insert: "Secretary concerned"

(3) Page 2 of the Senate engrossed amendments, strike out "uniformed services" each place it appears, and insert: "armed forces"

(4) Page 2 of the Senate engrossed amendments, strike lines 18 through 23 inclusive, and insert in lieu thereof:

"(b) Definitions.—For purposes of this section, the term—

"(1) 'armed forces' has the meaning given it by section 101(4) of title 37, United States Code;

"(2) 'Secretary concerned' means the Secretary of Defense and, with respect to the Coast Guard, the Secretary of Transportation; and

"(3) 'adjusted gross income' and 'moving expenses' have the meanings given them by sections 62 and 217(b), respectively, of the Internal Revenue Code of 1954."

(5) Page 3, line 2, of the Senate engrossed amendments, strike "1975", and insert: "1976"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with the following amendments:

(1) Page 4 of the Senate engrossed amendments, after line 13 insert:

"(8) Section 7641 (relating to supervision of operations of certain manufacturers) is amended by striking out 'filled cheese,'."

(2) Page 4 of the Senate engrossed amendments, after line 16, insert:

"(d) Amendment of Internal Revenue Code.—Whenever an amendment in this section is expressed in terms of an amendment to or repeal of a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert:

"SEC. 5. Study of Combined Annual Reporting for Social Security and Income Tax Purposes.

The Secretary and the Secretary of Health, Education, and Welfare shall (1) study the desirability and feasibility of instituting a system of combined social security-income tax reporting on an annual basis, and the effect of such a system on social security beneficiaries, on the costs to employers and to the social security program, and on the administration of such program, and (2) submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, no later than December 31, 1974, a joint report of the results of such study containing their recommendations as to the provisions, procedures, and requirements which might be included in such a system and the manner in which it might be put into effect."

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Long I move that the Senate concur en bloc with the House amendments to Senate amendments Nos. 5, 6, and 8.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTIES ON CERTAIN YARNS OF SILK—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I submit a report of the committee of conference on H.R. 7780, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7780) to extend for an additional temporary period the existing suspension of duties on certain classification of yarns and silk, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33369.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Louisiana (Mr. LONG) in explanation of the conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The statement follows:

STATEMENT BY SENATOR LONG

The first two Senate amendments are technical in nature, and they have been accepted by the House.

The Senate added a third amendment to this bill dealing with the treatment processes which are treated as mining in computing the percentage depletion allowance for trona ore. This amendment provides that the decarbonation of trona is to be treated as an ordinary treatment process. The effect of this is to continue to allow percentage depletion on trona based on the value of soda ash extracted from it, as was provided prior to 1971. At that time an administrative change was made disallowing the so-called decarbonation process as an ordinary treatment process with respect to trona which, in effect, treated it as a non-mining process for purposes of percentage depletion. The House has accepted this Senate amendment.

The Senate also added a fourth amendment under which the 10-percent Federal excise tax on wagers would be eliminated where they are placed with licensed persons in a State which imposes a State tax on such wagers or their proceeds. This would have affected only wagers made with State-licensed wagering enterprises in Nevada. Those placing wagers with unlicensed persons, in Nevada and elsewhere, would remain subject to the 10-percent excise tax on wagers.

The House has agreed to a substitute provision. This substitute reduces the 10 percent Federal excise tax on all wagers to 2 percent as of December 1, 1974. In addition, the $50 annual occupational tax imposed on persons liable for the tax on wagers and on persons engaged in receiving wagers is increased to $500 as of December 1, 1974. However, persons subject to this tax who, prior to December 1, 1974, have paid the $50 tax for the current fiscal year ending June 30, 1975, will not be subject to the increase in the annual occupational tax for the fiscal year ending June 30, 1975.

The substitute provision also provides specific restrictions as to the disclosure and use of information pertaining to taxpayer compliance with Federal wagering taxes. Although present law provides broad limitations on the publicity of income tax returns, no such restrictions exist for returns and other documents related to the wagering taxes. In 1968, Congress repealed the provision of prior law which provided for public inspection of the names of all persons paying occupational taxes, including the wagering occupational tax. Despite this repeal, current law remains ambiguous in that no specific provision exists barring disclosure of wagering tax information.

Consequently, the substitute attempts to resolve any remaining doubts which may exist under the rationale of two Supreme Court cases. It is expected that these changes with respect to disclosure will remove any constitutional problems regarding enforcement of the wagering taxes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

Sec. 3. Wagering tax amendments.

(a) Tax on Wagers.—Section 4401 of the Internal Revenue Code of 1954 (relating to imposition of tax on wagers) is amended by striking out "10 percent" and inserting in lieu thereof "2 percent".

(b) Occupational Tax.—Section 4411 of the Internal Revenue Code of 1954 (relating to imposition of occupational taxes) is amended by striking out "$50" and inserting in lieu thereof "$500".

(c) Disclosure of Wagering Tax Information.—

(1) Subchapter C of Chapter 35 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"Sec. 4424. Disclosure of wagering tax information.

"(a) General Rule.—Except as otherwise provided in this section, neither the Secretary or his delegate nor any other officer or employee of the Treasury Department may divulge or make known in any manner whatever to any person—

"(1) any original, copy, or abstract of any return, payment, or registration made pursuant to this chapter,

"(2) any record required for making any such return, payment, or registration, which the Secretary or his delegate is permitted by the taxpayer to examine or which is produced pursuant to section 7602, or

"(3) any information come at by the exploitation of any such return, payment, registration, or record.

"(b) Permissible Disclosure.—A disclosure otherwise prohibited by subsection (a) may be made in connection with the administration or civil or criminal enforcement of any tax imposed by this title. However, any document or information so disclosed may not be—

"(1) divulged or made known in any manner whatever by any officer or employee of the United States to any person except in connection with the administration or civil or criminal enforcement of this title, nor

"(2) used, directly or indirectly, in any criminal prosecution for any offense occurring before the date of enactment of this section.

"(c) Use of Documents Possessed by Taxpayer.—Except in connection with the administration or civil or criminal enforcement of any tax imposed by this title—

"(1) any stamp denoting payment of the special tax under this chapter,

"(2) any original, copy, or abstract possessed by a taxpayer of any return, payment, or registration made by such taxpayer pursuant to this chapter, and

"(3) any information come at by the exploitation of any such document,

shall not be against such taxpayer in any criminal proceeding.

"(d) Inspection by Committee of Congress.—Section 6103(d) shall apply with respect to any return, payment, or registration made pursuant to this chapter.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following:

"Sec. 4424. Disclosure of wagering tax in information.".

(d) Effective Date.—

(1) In general.—The amendments made by this section take effect on December 1, 1974, and shall apply only with respect to wagers placed on or after such date.

(2) Transitional rules.—

(A) Any person who, on December 1, 1974, is engaged in an activity which makes him liable for payment of the tax imposed by section 4411 of the Internal Revenue Code of 1954 (as in effect on such date) shall be treated as commencing such activity on such date for purposes of such section and section 4901 of such Code.

(B) Any person who, before December 1, 1974.—

(i) became liable for and paid the tax imposed by section 4411 of the Internal Revenue Code of 1954 (as in effect on July 1, 1974) for the year ending June 30, 1975, shall not be liable for any additional tax under such section for such year, and

(ii) registered under section 4412 of such Code (as in effect on July 1, 1974) for the year ending June 30, 1975, shall not be required to reregister under such section for such year.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Louisiana (Mr. LONG), I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 4.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD).

The motion was agreed to.

DUTY-FREE ENTRY OF METHANOL—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 11251, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11251) to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as a fuel having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

THE ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33370.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Senator LONG in explanation of the conference report be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The first three Senate amendments to this bill were clerical and conforming amendments, and were accepted by the House.

A fourth amendment added by the Senate to this bill makes a change in the DISC tax deferral provisions relating to export sales. The amendment provides that a financing corporation is not to be prevented from qualifying as a DISC where it holds accounts receivable which arose by reason of the export-related transactions of a related DISC. In effect, the amendment provides for financing arrangements between related corporations whereby the transferee financing corporation will be able to hold these accounts receivable and qualify as a DISC if they arose by reason of the export-related transactions by the related DISC. The House has accepted this amendment.

The Senate also added a fifth amendment which extends the period for special tax treatment of certain low-income housing rehabilitation expenditures for three more years until 1978. The present provision, adopted as part of the Tax Reform Act of 1969, permits taxpayers to depreciate rehabilitation housing expenditures for low-income and middle-income rental housing over a period of 60 months. This provision was enacted for a 5-year period and is to expire at the end of this year. Although the House agreed that this provision should be extended, they insisted on limiting this amendment at this time to cover only bonding contracts arising before the end of this year, rather than providing a general extension of the provision as provided in the Senate amendment. This is because the Ways and Means Committee has provided in the tax bill, presently before it, for the extension of all the 60-month amortization provisions which expire at the end of this year. The concern of the Senate, however, with the treatment of expenditures incurred next year pursuant to contracts made this year has been covered by the amendment agreed to in conference so that the housing-rehabilitation program would not be affected pending Congressional action on the special amortization provision.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 3. (a) Section 993(b)(3) of the Internal Revenue Code of 1954 (relating to qualified export assets) is amended by striking out "such corporation" and inserting in lieu thereof "such corporation or of another corporation which is a DISC and which is a member of a controlled group which includes such corporation".

(b) The amendment made by subsection (a) applies to taxable years beginning after December 31, 1973. The amendment shall, at the election of the taxpayer made within 90 days after the date of enactment of this Act, also apply to any taxable year beginning after December 31, 1971, and before January 1, 1974.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5, to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 4. Notwithstanding the provisions of section 167(k)(1) of the Internal Revenue Code of 1954 (relating to depreciation of expenditures to rehabilitate low income rental housing), the provisions of section 167(k) shall apply with respect to rehabilitation expenditures incurred with respect to low income rental housing after December 31, 1974, and before January 1, 1978, if such expenditures are incurred pursuant to a binding contract entered into before December 31, 1974.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG, I move that the Senate concur en bloc with the House amendments to Senate amendment numbered 4 and 5.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

DUTY APPLICABLE TO CRUDE FEATHERS AND DOWNS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG), I submit a report of the committee of conference on H.R. 11452, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11452) to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33371.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement in explanation of the conference report by Senator LONG be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The original House bill would have provided for duty-free treatment of certain feathers and downs until December 31, 1979. The Senate amended this to suspend the duty until December 31, 1977. The Conferees agreed to suspend the duty until June 30, 1979.

The Senate also added an amendment dealing with the tax treatment of dividend incom of affiliated life insurance companies. Under present law, life insurance companies are not permitted to file a consolidated return with their affiliates, even though a sufficient stock ownership exists, because the unique method of taxing such companies makes it difficult, from an accounting standpoint, to consolidate their income with their affiliates which are not life insurance companies. As a result, members of the affiliated group receiving dividends from a life insurance company may find the dividends being treated as personal holding company income. This would not be the case, however, if life insurance companies were permitted to file consolidated returns with the other affiliated companies. The Senate amendment treats dividends received by members of an affiliated group from a life insurance subsidiary in the same manner as they would be treated if the life insurance company were permitted to file a consolidated return with the group. The effect of this will be that dividends received by a holding company from a life insurance subsidiary will not be treated as personal holding company income. The House has accepted this amendment.

The Senate added another amendment relating to the value of family farms for estate tax purposes. The amendment would exclude the first $200,000 in the value of the family farm from the taxable estates of those families who have managed their own farms during their lives and have willed them to relatives who plan to carry on the farming. The House conferees believed it was appropriate to deal with this type of provision in connection with a full review of the estate and gift tax provisions. Since the Ways and Means Committee expects to conduct such a review next year and consider this type of problem at that time, the Senate conferees agreed to recede from this amendment.

The final Senate amendment postpones from January 1, 1975 to January 1, 1976 the requirement in current law that Federal employee health coverage be coordinated with Medicare as a condition of Medicare reimbursement for services provided persons eligible under both programs. The one-year postponement is necessary because the Civil Service Commission and the individual Federal employee plans would have great difficulty meeting the current deadline in view of the absence of substantial progress toward coordination thus far.

To encourage timely action, the amendment requires that the Civil Service Commission and the Secretary of Health, Education and Welfare submit a report to the proper Committee of the Congress by March 1, 1975, on the steps then being taken to accomplish the coordination; if the report is not submitted by that date, Medicare would stop paying for services that are covered by a Federal employee plan on July 1, 1975, rather than postponing action to the January 1, 1976 date.

The House has agreed to this Senate amendment

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7, to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment insert: SEC. 4.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG I move that the Senate recede from its amendment numbered 6 and that the Senate concur in the House amendment to the Senate amendment numbered 7.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTY ON SYNTHETIC RUTILE—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 11830, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of June 30, 1977, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33371.)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG, I submit a statement in explanation of the conference report and ask unanimous consent that it be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The Senate provided an amendment to this bill to revise the exemption from the excise tax on wages for state-run lotteries to take account of changes in the conduct of state lotteries. The present law exemption is provided for lotteries whose winners are determined by the results of horse races. This is because the first state-run lotteries determined their winners on this basis. Since that time, however, the lotteries have changed their basis for determining winners. This amendment conforms the tax law to present state practices.

Since a provision along the lines of the Senate amendment, but with certain modifications, is contained in the tax bill currently before the Ways and Means Committee, the House conferees believed it was appropriate to deal with this problem in connection with its bill. For this reason, the Senate agreed to recede with respect to this amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

SUSPENSION OF DUTY ON CERTAIN SALTS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 12035, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12035) to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33372.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Senator LONG in explanation of the conference report be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The first Senate amendment made to this bill provides for an extension of time in which the governing instruments relating to charitable remainder trusts may be conformed to meet the requirements of the Tax Reform Act of 1969 insofar as an estate tax deduction is concerned. The 1969 Act required charitable remainder trusts to meet certain requirements in order for the estate to be entitled to an estate deduction for the transfer of a remainder interest to charity. Pursuant to these requirements, which in general applied to decedents dying after December 31, 1969, trusts created after July 31, 1969, must be amended to meet these new requirements by December 31, 1972. The Senate amendment extends until December 31, 1975, the time when amendments must be made for conformity to the new requirements.

The House has agreed to this amendment in general, but provided an amendment to limit the extension of these transitional rules to trusts created or wills executed before September 21, 1974. The revision also makes minor and technical changes in the Senate amendment. It was felt that the right to change the terms of the governing instrument to comply with the 1969 Act should be available only as respects instruments already in existence, and not to instruments drawn in the future.

The second amendment made by the Senate deals with certain scholarships for members of uniformed services. Under present law, the exclusion from gross income for certain amounts received as a scholarship at an educational institution or as a fellowship grant generally does not apply if the amounts received represent compensation for past, present, or future employment services. The Internal Revenue Service has notified the Department of Defense in response to its request for a ruling that certain amounts received by students toward their educational expenses while participating in the recently instituted Armed Forces Health Professions Scholarship Program are includable in their income for tax purposes because of the individual's commitment to future service with the Armed Forces. Thus, under this position the individuals are subject to tax on the amounts received. The Senate amendment provides that the exclusion for scholarship and fellowship grants is to apply to payments made by the Government for the tuition and certain other educational expenses of a member of the uniformed services attending an educational institution under the Armed Forces Health Professions Scholarship Program (or substantially similar programs) until January 1, 1976, pending a review by the staff of the effect of application of this provision. The House has accepted this Senate amendment.

The Senate engrossed amendments to H.R. 12035 also included a section providing similar treatment for certain other student loans where a portion of the loan may be cancelled if the recipient performs certain specified work. Senator Bennett, who offered the second amendment on the Senate floor, had withdrawn this provision from his amendment before it was voted on. This provision should thus not have been included in the Senate engrossed amendments, and therefore was not properly in conference.

The third Senate amendment deals with lease guaranty insurance and insurance of state and local obligations. The amendment permits insurance companies which write lease guaranty insurance and insurance guaranteeing the debt service of municipal bond issues to deduct additions to contingency reserves for periods of 10 or 20 years in accordance with the current treatment of similar additions for mortgage guaranty insurance under present law. Under the Senate provision, however, any tax benefit which would otherwise occur as a result of these deductions is not to be retained by the insurance companies, but instead is to be invested in non-interest bearing Federal bonds. Thus, the United States has the unrestricted use of these funds, and the bonds cannot be redeemed until the reserves are restored to income by the insurance companies. The House has agreed to this Senate amendment.

The final amendment made by the Senate on this bill deals with interest that is forfeited on premature withdrawals. Under present law, individual taxpayers must include interest paid or accrued with respect to time savings accounts or deposits in determining their gross income each year. If an individual prematurely withdraws his funds in these accounts, however, a substantial penalty is imposed, and the individual forfeits part of the interest that he has earned and reported for tax purposes in prior years. Where an individual itemizes his deductions in determining his taxable income, he will be able to claim a deduction for this forfeited interest. However, where he uses a standard deduction he must report the gross amount of interest received but cannot take a deduction for the forfeited interest. The Senate amendment provides for the deduction of such forfeited interest from his gross income so individuals may claim this deduction whether they itemize their deductions or take the standard deduction. The House has agreed to this Senate amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with amendments as follows:

(1) Page 1, line 11 of the Senate engrossed amendments, strike out ["(3) If], and insert: "(3) In the case of a will-executed before September 21, 1974, or a trust created before such date, if

(2) Page 2, line 6 of the Senate engrossed amendments, strike out [trust or], and insert: *trust,*

(3) Page 2, line 7 of the Senate engrossed amendments, after "664),", insert: or a pooled income fund (described in section 642(c)(5)),

(4) Page 2, line 15 of the Senate engrossed amendments, strike out [organizations) and], and insert: organizations),

(5) Page 2, line 16 of the Senate engrossed amendments, after "decendents)", insert: , and chapter 42 (relating to private foundations)

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with amendments as follows:

(1) Page 4, line 8 of the Senate engrossed amendments, strike out [definitions], and insert: Definition of uniformed services

(2) Page 4, of the Senate engrossed amendments, strike out all after line 13 over to and including line 18 on page 5.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment as follows:

Page 5, line 20 of the Senate engrossed amendments, strike out [SEC. 6,], and insert: SEC. 5.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein within amendments as follows:

(1) Page 6, line 21 of the Senate engrossed amendments strike out [SEC. 7.], and insert SEC. 6.

(2) Page 6, line 22 of the Senate engrossed amendments, strike out [(9)], and insert: (10)

(3) Page 6, line 24 of the Senate engrossed amendments, strike out [(10)], and insert: (11)

Mr. ROBERT C. BYRD. Mr. President, I move on behalf of Senator LONG that the Senate concur en bloc with the House amendments to Senate amendments Nos. 1 2, 3, and 4.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTY ON CERTAIN HORSES—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 13631, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33373.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. LONG's statement in explanation of the conference report be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

Mr. President, the Senate added two amendments to H.R. 13631.

The first Senate amendment is designed to assure that the new Supplemental Security Income (SSI) program for the aged, blind and disabled will not operate in such a way as to increase the burden or non-profit retirement homes which have voluntarily undertaken to absorb a part of the costs of caring for elderly and disabled persons.

Under the SSI program, all forms of income—including room and board furnished for less than cost—are used to reduce the amount of benefits payable. Thus if a nonprofit home for the aged subsidizes an aged resident by charging less than full cost, the amount of the subsidy is considered income and serves to reduce the individual's SSI payment. This then requires a larger subsidy which in turn causes a larger reduction in SSI and so on until the SSI payment is reduced to zero. The Senate amendment eliminates such reductions if the cost of the subsidized support and maintenance is borne by the non-profit home or institution or by another non-profit organization.

The House has agreed to accept the Senate amendment with the addition, however, of one clarifying modification. The change made by the House would specify that subsidized support and maintenance will continue to be considered as income to the individual in those cases where the institution has a true obligation to provide full support and maintenance without charge.

Support and maintenance would not be excludable in this case: where an institution has entered into a written contract with an individual under which he makes a single lump-sum nonrefundable payment and the institution guarantees him lifelong care at no further charge—even if he is financially able to make further payment. Similarly, a fraternal organization or labor union which makes free care in its retirement home a benefit of membership would be considered to be providing such care by reason of obligation.

It should be made clear that the House amendment applies only to cases in which an institution has an express and unconditional obligation to provide full support and maintenance without any requirement of payment by the individual. A conditional obligation under which the institution will bear the cost of support and maintenance to the extent that the individual is unable to do so, for example, would not be covered by the modified amendment. In such cases the value of the support and maintenance provided by the institution to the extent it exceeded the amount of payment, if any, actually received from the individual would not be considered as income for the purpose of reducing the SSI payment. Similarly, a generalized commitment undertaken by an institution of maintaining any resident who becomes unable to pay the regular charges would not be considered an obligation for full support and care without payment. This would be true even if the institution has formally acknowledged such a commitment, as for example, in its by-laws or in an application for tax-exempt status for the purpose of complying with the requirements of revenue rulings with respect to meeting the need of aged persons for protection against financial risks associated with later life.

The second Senate amendment is designed to broaden the opportunity for hospitals and skilled nursing facilities who are Medicare providers to judicial review of decisions regarding their reimbursement under the program. Under the amendment, providers can appeal to the Federal courts any decision of the Provider Reimbursement Review Board as well as any affirmation, modification or reversal of a Board decision by the Secretary of Health, Education, and Welfare. In addition, any amount in controversy would be subject to annual interest, payable to the party who won.

The House has agreed to the amendment with a minor change designed to conform the wording of the effective date provision to the text of the original Provider Reimbursement Review Board provision in Public Law 92-603.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1, to the aforesaid bill, and concur therein with amendments as follows:

(1) Page 2, line 12, of the Senate engrossed amendments, strike out [of], and insert: on

(2) Page 2 of the Senate engrossed amendments, strike out lines 20 through 25, and insert:

(b) The amendment made by subsection (a) shall be applicable to cost reports of providers of services for accounting periods ending on or after June 30, 1973.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 4. Effective January 1, 1974, section 1612(a)(2)(A) of the Social Security Act is amended—

(1) by inserting "(1)" immediately after "exempt that"; and

(2) by inserting immediately before the semicolon at the end of the subparagraph the following: "and (ii) in the case of any individual or his eligible spouse who resides in a nonprofit retirement home or similar nonprofit institution, support and maintenance shall not be included to the extent that it is furnished to such individual or such spouse without such institution receiving payment therefor (unless such institution receiving payment therefor has expressly undertaken an obligation to furnish full support and maintenance to such individual or spouse without any current or future payment therefor) or payment therefor is made by another nonprofit organization".

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG, I move that the Senate concur en bloc with the House amendments to Senate amendments numbered 1 and 2.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTIES ON CERTAIN FORMS OF COPPER—H.R. 12281

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to insert in the RECORD at this point a floor statement which has to do with H.R. 12281, such statement being offered by Mr. LONG.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The Senate added an amendment to this bill dealing with the adjustment to basis of property received from a subsidiary in the case of certain types of liquidations. The problem here arises from an inequitable tax result because a court changed its own decision after action was taken by the taxpayer on the assumption that the court would stand by its first decision. The amendment permits a taxpayer—which in this case is a steamship company, named State Lines, Inc., which acquired and liquidated a subsidiary prior to July 1, 1957—to deduct a loss occasioned by a contingent liability created as a result of a reversal of a United States Court of Appeals decision. If the Court had not, upon rehearing, reversed its own decision, the liquidation would not have taken place, and the taxpayer would have been in the same position as provided by this bill. The amendment provides that under these conditions a taxpayer who had acquired the assets of a liquidated corporation is to be permitted to deduct the unanticipated loss in the year incurred in the same manner as the liquidated corporation would have been permitted to do if it had remained in existence.

The House has accepted this provision, and the bill thus requires no further Senate action.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations at the desk reported earlier today by the Committee on the Judiciary.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. MARSHAL FOR THE NORTHERN DISTRICT OF ALABAMA

The legislative clerk read the nomination of Johnny M. Towns, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. MARSHAL FOR THE WESTERN DISTRICT OF PENNSYLVANIA

The legislative clerk read the nomination of Charles W. Koval, of Pennsylvania, to be U.S. marshal for the Western District of Pennsylvania for the term of 4 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ATTORNEY FOR THE DISTRICT OF MARYLAND

The legislative clerk read the nomination of George Beall, of Maryland, to be attorney for the District of Maryland for the term of 4 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. (Mr. METCALF). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, the Senate, at 12:56 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the presiding officer (Mr. HELMS).

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER (Mr. MCCLURE). Without objection, it is so ordered.

ORDER FOR VOTE TOMORROW AT 2:30 P.M. ON PRESIDENT'S VETO OF H.R. 15301, AN ACT TO AMEND THE RAILROAD RETIREMENT ACT OF 1937

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate vote on the override of the President's veto of H.R. 15301, an act to amend the Railroad Retirement Act of 1937, occur tomorrow at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, the assistant Republican leader be recognized for not to exceed 15 minutes; that he be followed by the assistant Democratic leader for not to exceed 15 minutes; that there then be a period for the transaction of routine morning business, of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

RAILROAD RETIREMENT—CONTINUING RESOLUTION—ORDER OF BUSINESS TOMORROW

Mr. HUGH SCOTT. Mr. President, with respect to the overriding of the President's veto on the railroad retirement bill, it is my intention to vote to override the veto of the bill. I am bound to make this statement; I should make it early. Since I am also a spokesman for the administration, when I cannot agree I feel bound to say so. Therefore, if any Senator on this side of the aisle wishes to speak in favor of sustaining the veto, I would transfer my time to him. I say this so that the record will show it.

With respect to the continuing resolution, as the distinguished assistant majority leader knows, the other body has already sustained the veto of the President. Had it come over here, I would have voted, also, to sustain the veto. I understand that the other body is now considering a new continuing resolution. Is that not correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. HUGH SCOTT. There may be amendments to that resolution. Therefore, it would be my hope that as soon as we have disposed of the railroad retirement bill, we could move promptly on the continuing resolution, whether it be amended or not, in order to send it to the President. That would be the desire of the distinguished assistant majority leader, I take it.

Mr. ROBERT C. BYRD. Yes. I have just been visiting in the other body and have talked with the majority leader there.

There is a fairly good prospect that the other body will act on the continuing resolution this afternoon. In any event, I am told by the majority leader there that if the House does not act on that resolution today—and the chances probably are a little less than 50–50—the House will act early on tomorrow. If the Senate convenes at 10 o'clock, it is quite possible that the Senate will be able to conduct some debate and action on the continuing resolution prior to the vote at 2:30 p.m. on the override of the President's veto.

In any event, so that our colleagues will know what the situation is, we can also ask consent now that no votes occur before the hour of 2:30 tomorrow afternoon. Any action that is ready for a vote before the hour of 2:30 p.m. tomorrow, on the continuing resolution, could immediately follow the vote on the overriding of the President's veto.

Mr. HUGH SCOTT. I certainly agree with that suggestion. It is done to accommodate Senators who are in the process of returning to this body. At the same time, there are some Senators who, believing we would recess last week, have made engagements for tomorrow night. I hope that we can have our votes in time, if possible, bearing in mind that this business is overriding, to permit them to keep their engagements.

I may say that this particular Senator has no such engagements, so I do not speak for myself.

May I inquire as to the status of the so-called Price-Anderson bill, which I understood the President was expected to veto? I am not certain, but I thought this bill might come up to us, if it has not already, with his veto message.

Mr. ROBERT C. BYRD. I am under the impression, although I may be wrong, that that bill also originated in the other body. If, therefore, there is an attempt to override the veto, that will come up in the other body first.

Mr. HUGH SCOTT. We have already accomplished a good deal today, I understand, in that nine conference reports have been acted upon.

Mr. ROBERT C. BYRD. And two bills on the calendar have been passed.

Mr. HUGH SCOTT. I thank the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

ORDER FOR NO ROLLCALL VOTES TO OCCUR BEFORE THE HOUR OF 2:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur tomorrow prior to the hour of 2.30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE INTERCOASTAL SHIPPING ACT, 1933

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from its consideration of H.R. 13561, and that the bill be immediately considered.

The PRESIDING OFFICER. The clerk will state it by title.

The assistant legislative clerk read as follows:

H.R. 13561, an act to amend the Intercoastal Shipping Act, 1933.

The PRESIDING OFFICER. Without objection the committee will be discharged, and the Senate will proceed immediately to consideration of the bill.

Mr. GRIFFIN. Mr. President, for the record, as I understand it, this is a House bill which is identical to a Senate bill which has already been passed. This procedure, as I understand it, is being followed in order to send the bill directly to the President.

The PRESIDING OFFICER. The Senator is correct.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

ORDER TO MAKE THE CONTINUING RESOLUTION THE PENDING BUSINESS TOMORROW UPON ITS RECEIPT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the continuing resolution be made the pending business of the Senate tomorrow as soon as it is received, if it is not at the desk at the time morning business has been concluded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT BY THE DUKE OF GLOUCESTER

Mr. HUGH SCOTT. Mr. President, if the distinguished assistant majority leader will yield, for the historical record, perhaps, it should be noted that this morning, just prior to the convening of the Senate, a visit was made to the Senate Chamber by His Royal Highness, the Duke of Gloucester, who had an opportunity to see the way our democratic institutions function, and that he went from here to the other body. We do indeed welcome his visit.

It was my pleasure to show to him the mirror in the Vice President's ceremonial office, which was rescued by Dolly Madison at a time when His Royal Highness' ancestors were busy burning the White House. I assured him that there were no hard feelings. He said that, in his judgment, the removal of that mirror was a tribute to the taste of Dolly Madison.

MR. ROCKEFELLER'S GIFTS TO DR. RONAN

Mr. HELMS. Mr. President, the former Governor of New York, Mr. Rockefeller, has made public his reply to the chairman of the Rules Committee, Mr. CANNON, with reference to his gifts to friends and associates.

While I admire the Governor's willingness to make this information available, the nature of the information is such as to raise a deeper concern than the reply was supposed to lay to rest.

The Governor has plainly stated that he made gifts totaling $625,000 to Dr. William J. Ronan. According to the Governor's account, the first gift of $75,000 was made on December 19, 1958, more than a month after Dr. Ronan assumed the position of personal secretary to the Governor-elect, according to accounts related in the New York Times. On May 3, 1974, according to the Governor, he made a second gift of $550,000, consisting of a forgiveness of six loans totaling $510,000, and a cash gift of $40,000.

According to "Who's Who in America," Dr. Ronan became chairman of the New York Metropolitan Commuter Transportation Authority in 1965. In 1968, he became chairman of the newly reorganized Metropolitan Transportation Authority, which job he presumably held until he became chairman of the New York Port Authority. According to the newspaper accounts, the gift of May 3, 1974, was made between his resignation from the MTA and the initiation of his tenure on the port authority.

At this point, the chronology of the six loans which were forgiven on May 3, 1974, becomes very important. The crucial question is: Were any of the loans made after January 1, 1966, at a time when Dr. Ronan was on the State of New York payroll? For, in 1965, the New York State Legislature passed, and Governor Rockefeller signed, tough legislation laying down the law on conflict of interest. This addition to the so-called public officers law became effective on January 1, 1966. The relevant portion reads as follows:

No officer or employee of a state agency, member of the legislature or legislative employee, shall, directly or indirectly, solicit, accept, or receive any gift, having a value of twenty-five dollars or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing, or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence him in the performance of his official duties, or was intended as a reward for any official action on his part.

That is the first relevant portion. The second relevant portion is as follows:

No person shall, directly or indirectly, offer or make any such gift to any officer or employee of a state agency, member of the legislature, or legislative employee under such circumstances.

This is taken from section 73, paragraph 5, Public Officers Law, State of New York (McKinney's Consolidated Laws of New York, Annotated).

There is one other relevant paragraph from the New York law creating the Metropolitan Transportation Authority:

The Authority shall be a State agency for the purposes of sections seventy-three and seventy-four of the Public Officer's Law.

Section 73, of course, is the provision previously read. The latter quote is taken from the Public Authorities Law of New York, article five, title II, section 1263, paragraph 5.

Much of the speculation about the Governor's gifts has been made upon the presumption that no impropriety occurred because the gift technically did not occur until Dr. Ronan left the payroll.

Yet the law, on its face, forbids not only "any gift" but also any "loan" exceeding $25. The law states that it is illegal both to give and to receive such a "loan." Governor Rockefeller has said on the record that he made six loans to Dr. Roman totaling $510,000. Presumably all of the loans exceeded $25.

The question, as I said earlier, is whether or not any of these loans took place after the law became effective on January 1, 1966, and before Dr. Roman went off the State payroll. I am presuming that Dr. Ronan's salary as secretary to the Governor was paid from the State payroll; and his position at MTA clearly fell within the law's ambit. If necessary to ascertain the dates the loans were received, Dr. Ronan's bank deposit records should be subpenaed.

The law apparently treats gifts and loans as the same thing, for the purpose of this law. In any case, Dr. Ronan has been quoted in the press as saying that he did not recall whether any interest had been paid, or at what rate. If no interest was paid, and no repayment schedule was followed, then it might reasonably be concluded that the transaction bears the hallmark of a gift from the very start.

The remaining point to be established so far as the law's applicability lies in the circumstances surrounding the loan or gift. The law forbids such loans or gifts "under circumstances in which it could be reasonably inferred that the gift was intended to influence him, or could reasonably be expected to influence him, in the performance of his official duties, or was intended as a reward for any official action on his part."

The question therefore is what inference can be drawn from loans totaling a half million dollars and made in secret. Dr. Ronan, as Chairman of MTA, was presumably working on projects that were important to the success of the Governor's administration and to his political career. He presided over bond issues, construction projects, and public service disputes whose successes were crucial both to the public and private interests of the Rockefeller family. We must ask ourselves, therefore, whether an invidious inference is "reasonable" under the circumstances.

Now, in the case of Dr. Ronan, special attention must be given to the post he occupied as head of the Metropolitan Transportation Authority. It is difficult for non-New Yorkers to understand the Byzantine ways of New York politics and government, particularly the relationship of the various public authorities to the State and city governments. The job which Dr. Ronan held, however, was in effect the successor post to the job which Robert Moses held as chairman of the Triborough Bridge Authority. Robert Caro, in his widely acclaimed book on Mr. Moses' career, has an extremely lucid explanation of the independent position which the chairman of such an authority had, and the way in which that position can be used for political power.

According to Mr. Caro, the concept of the authority which Mr. Moses developed was a significant deviation from traditional practice. In the past, an authority was a creature of the city or State, which issued revenue bonds for a specific project, and then went out of business when the bonds were retired. The Triborough Bridge Authority, however, generated unprecedented revenues, which Mr. Moses used to organize a permanent staff of engineers, planners, and public relations men who drew up new projects and promoted them. Mr. Caro says that Mr. Moses got the New York State Legislature to amend the Triborough statutes so that outstanding bond issues could be refunded before they were retired, thus giving perpetuity to the authority, and he wrote special powers of independence into the contracts with the bondholders, contract powers which, under the U.S. Constitution, the State of New York could not abrogate. Moreover, such a public authority is not required to open its books to the public, seek public referendums on its projects, or submit to competitive bidding. The head of such an authority, with millions of dollars at his disposal, therefore becomes a very powerful political figure with whom even a Governor must reckon. Governor Rockefeller spent a decade, Mr. Caro says, in trying to remove Robert Moses, even though Mr. Moses was years past retirement age. As Mr. Caro shows, Mr. Moses was finessed out of office through the merger technique, when Triborough was merged with MTA. Dr. Ronan was installed as chairman of the new authority.

I suggest to my colleagues that they read carefully Mr. Caro's chapter 28, "The Warp on the Loom," which details the growth of the independent authority concept in New York. I also suggest that they read chapter 33, "Leading Out the Regiment," which describes how Mr. Moses welded together a coalition of politicians, lawyers, insurance brokers, bankers, labor leaders, and others through using his unchecked power to dispense contracts and fees. It was apparently this power which passed to Dr. Ronan.

Of special interest in the present circumstances is the power of the head of an authority to promote the bond market, to issue the bonds on particularly favorable conditions, to provide favored banks and syndicates with underwriters' fees that bear little or no risk, to manipulate deposits of cash and securities and so forth. This is obviously a matter of interest because one of the most important banks which could reasonably be expected to be a beneficiary of such activities is Chase Manhattan, the bank which is so closely identified with the Rockefeller family.

I want to make it absolutely clear that I have no knowledge whatsoever of any actions in which Chase Manhattan has been the improper recipient of favors, either from Robert Moses or Dr. Ronan. I make no allegations, because I have no facts. I am only citing the circumstances, as described by Mr. Caro, in which Dr. Ronan took over from Mr. Moses. It is up to the Senate to investigate whether any impropriety occurred in those circumstances, or whether the appearance of impropriety occurred in those circumstances. The New York public officers law is very particular about circumstances, not only with regard to the intention of the participants in the action, but also with regard to what the public might expect in such circumstances, whether impropriety took place or not.

Mr. President, I ask unanimous consent that an excerpt from chapter 33 of Mr. Caro's book, "Robert Moses and the Fall of New York," be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

One cannot dip a toe into the water of New York politics without sensing, moving somewhere deep beneath the surface, the presence of an enormous force, a power unseen but immense: the power of banks.

Banks control the dispensing of huge amounts of insurance and they can dispense it to politicians. Their activities generate immense amounts of legal work and they can dispense the least onerous and most lucrative aspects of that work—local real estate closings, for example—to politicians. They can give politicians access to the inside financial information on which fortunes are made by electing them to their boards of directors, and they can give them fortunes more directly by giving them blocks of their own stock at favorable prices or, more directly still, by giving them unsecured loans which allow them to make investments without the inconvenience or risk of using their own money, and by giving them those loans at interest rates so favorable that the investments can hardly help resulting in a profit. They can give politicians loans of a size that make them rich beyond their dreams.

The acceptance of these—and other—favors puts politicians in the banks' debt. Banks are very good at collecting debts. They collect them with interest. And they collect politicians' debts with interest: the public interest. Decade after decade, what banks wanted from Albany or City Hall, banks got.

Some political analysts speak of the influence of New York's banks as influence exerted almost entirely on the Republican Party, but it is not only Republicans who are interested in money. The power of the great banks of New York crosses party as well as county lines. Within the over-all political structure of New York—city and state—it is all-pervasive and immense. And Moses enlisted it behind his aims.

Banks have one aim: making money. Moses made sure their aim and his coincided. He made sure that banks would make money—quick money, easy money, safe money—from his public works.

Revenue bonds—the key to his authorities' existence and power—were the key to the alliance.

Banks needed authority bonds. Forbidden by federal law from putting the money deposited with them by the public into any but the very safest investments, the very best of what bankers call "good, high-grade paper"—barred specifically from purchasing corporate stock and by inference, inference reinforced by continuing evaluation of their investment portfolios by government regulatory overseers, from purchasing any bonds and notes except those of the most "solid" corporations, of governments and of public authorities—four years of investment-stifling war had left them "loaded with cash," impatient to put it to work earning more cash, and with a drastically insufficient supply of "good, high-grade paper" into which to put it. Jack Madigan, who had spent weeks trying to peddle Henry Hudson Bridge bonds around Wall Street in 1936, was astonished when previously aloof bank presidents began inviting him to lunch in their private dining rooms in 1946—until one, Stewart Becker, president of the Bank of Manhattan, casually remarked over dessert, "You know, Jack, we've got more money than good uses for it." Then he understood. Returning from Becker's table, he told Moses that the banker was asking to be allowed to buy as much as possible of the next Triborough bond issue—and the bartender's son added that he would never have to go hat in hand to bankers again; from now on, bankers would come to him. "It's just supply and demand," he would explain simply. The demand for Triborough's bonds was far greater than the supply.

Of all possible investments legal for banks, moreover, public authority bonds were the most desirable. In selecting investments, bankers had three aims: to keep their money safe, to make as much money as possible with it—and to keep the money they made. Keeping money meant, in postwar America, tax exemption.

Corporate bonds were dependent upon corporate profits, so much more risky than bridge tools. Their yield was higher—in 1968, 8 percent to about 5 percent—but banks had to pay half of their profits (52 percent, later 48 percent)—to the government in taxes, so their yield from a corporate bond would, in terms of money kept, be only 4 percent. So tax-exempt authority bonds had both greater safety and a higher return than corporate bonds.

United States government bonds were as safe as authority bonds, their yield as high, but that yield was subject to state and local taxes; their net yield was lower. State and municipal bonds, exempt from taxes, had net yields about the same as authority bonds. But, in Wall Street's view, they were not as safe since states and municipalities always seemed to be in financial difficulties, and were continually being forced to go to the voters for permission to raise taxes. And who could predict what voters would do? Authorities, on the other hand, grew continually more prosperous, from revenues guaranteed by covenants that were sacred contracts, safe from public whim or will. During the first postwar quarter century, New York City's bonds fluctuated fairly substantially in the ratings they were given for safety. Triborough's held steady, year after year—at AAA, the highest rating given. Ask New York bankers why they are so eager to buy public authority bonds and they begin, as does Dwayne Saunders, vice president of the investment division of the Chemical Bank, by speaking sanctimoniously of "our feeling of responsibility to the community" by financing projects that will benefit it. But the longer one talks to bankers, the less the talk is of responsibility and the more it dwells on more mundane considerations. A Triborough bond "is a very, very high-quality instrument, you know," Saunders says. "And they are paying, say, 5.40, which is [almost] 11 percent. There are corporates out there, but no government stuff. You're always matching yield against safety in this business. Any portfolio manager will try within his limits to maximize his yields—he becomes very, very interested in yield . . . And [authority bonds] are the highest-yielding of any investment-grade security after tax." Higher-yielding than most *risky* investments, higher-yielding even than those riskiest of investments, personal loans—a public authority bond is simply the best investment a bank can make. By far.

Of all public authority bonds, moreover, none were more desirable to banks than Triborough's: by design.

Moses wanted banks to be so anxious to purchase Triborough bonds that they would use all of their immense power to force elected officials to give his public works proposals the approval that would result in their issuance. So although the safety of the banks' money was already amply assured by Triborough's current earnings (so great that each year the Authority collected far more money than it spent), by the irrevocable covenants guaranteeing that tolls could never be removed without the bondholders' consent, and by Triborough's monopoly, also irrevocable, that guaranteed them that if any future intracity water crossing were built, they would share in its tolls, too, Moses provided them with additional assurances. He maintained huge cash reserves—"Fantastic," says Jackson Phillips, director of municipal research for Dun and Bradstreet; "the last time I looked they had ten years' interest on reserve"—and when he floated the Verrazano bonds he agreed to lay aside—*in addition to the existing reserves!*—15 percent ($45,000,000) of the cash he received for the new bond issue, and not touch it until the bridge was open and operating five years later. Purchasers of the Verrazano bonds could be all but certain that they could collect their interest every year even if the bridge never collected a single toll. Small wonder that Phillips says, "Triborough's are just about the best bonds there are." Wall Streeters may believe that "any investment is a bet," but Robert Moses was certainly running the safest game in town.

An additional margin of safety, moreover, was provided by Moses' reputation. "Moses never hesitated to give Wall Street the impression that he would go all out to protect their interests," Phillips says. "We all knew," says a banker, "that Moses would fight for his bondholders." During the previous twenty-two years of its existence, the State Power Authority had never been able to interest the Street in even small proposed bond offerings. In 1954, Moses was named its chairman, and he offered for sale an issue of more than a billion dollars, the largest revenue bond offering in history. "There was some caution," Phillips recalls, "but there was the feeling, 'Look, *Moses* is doing this!'" The issue sold out in four days. Holders of Port Authority bonds were perturbed—although without cause—when, in 1960, New York and New Jersey legislatures teamed up to force it to use its surplus revenues to take over the deficit-ridden Hudson and Manhattan Tubes, but holders of Triborough bonds had no such worries; Triborough's annual surpluses may have been huge—more than $20,000,000 per year and climbing—but Moses made sure that every cent was "committed" to future revenue-, not deficit-, producing projects. "Wall Street loved him for this," Phillips says. And, Wall Street knew, Moses had the power to make these commitments stick. The Municipal Forum of New York is a group of extremely conservative municipal finance and bond analysts who generally accord guests no more than perfunctory applause. Whenever Robert Moses appeared before the Forum, its members, those hard-eyed men of finance, stood as one for an ovation.

Moses offered bankers more than safety.

A high return on their money was already assured—in abundance—by the bonds' tax-exempt status. But Moses provided bankers with a still higher return. The interest rates on his bonds were higher than they needed to be to attract buyers—so much higher that, over the life of a single bond issue, the one floated to finance the Verrazano-Narrows Bridge, bondholders would receive the almost incredible amount of $40,000,000 more than they would gladly have settled for.

And favored bankers didn't have to wait for years to make money on Moses' bonds. He made it possible for them to make money in a single day.

Banks make quick profits on bonds through underwriting, a procedure in which they agree to purchase bonds from the issuing agency in the hope of reselling at a profit those they can't afford to keep themselves.

In the case of Triborough's bonds, of course, "hope" was an inaccurate term. No matter what the "state of the market," every postwar Triborough bond issue was sold out—with many buyers still clamoring for them—within twenty-four hours after the underwriting banks offered them for sale. In the case of Triborough's bonds, therefore, the underwriters' "risk"—the possibility that they may not be able to sell the bonds which is the rationale for the profits underwriters allowed to make—was negligible. And Moses made sure that the underwriters' profits would be huge. He allowed the Verrazano underwriting syndicate, for example, to purchase $300,000,000 worth of bonds from Triborough for $295,760,851. Since these bonds were sold—on the same day they were issued—for $300,570,851, the syndicate reaped a one-day profit of almost five million dollars.

Then there were the smaller morsels.

There were, for example, the "service fees" that Triborough paid banks for authenticating and delivering the bonds; for acting as "paying agents" for the semiannual interest payments; or for acting as "trustee" for the bonds, a job which involved "studying the resolution," collecting an annual "administrative fee" for routine duties connected with it, collecting and cremating the coupons amassed by the paying agents and collecting the bonds when the issue was redeemed. These fees—four cents per coupon for paying agents, for example—seemed small, although Moses' fees were higher than others paid for similar work. But, paid out twice a year, year after year for the forty-year life of the bonds, they mounted up.

Selection as a repository of Triborough deposits was similarly profitable. Moses' agreement to set aside $45,000,000 as a five-year "interest reserve" was in effect an agreement to leave on deposit in banks $45,000,000 on which the banks would not have to pay any interest—but on which they could, by lending it out, collect interest.

Moses' generosity to banks had to be paid for out of the pockets of motorists, of course. If bondholders received tens of millions of dollars extra in interest, drivers would have to pay tens of millions of dollars extra in tolls. The state's Public Authorities Law supposedly keeps the cost to the public of public works as low as possible by prescribing the use of open, competitive bidding on bond sales and all other details of authority operation. But Moses wasn't concerned with the cost to the public. His concern was to enlist in his cause the banks who could use their power to push behind-the-scenes political leaders, as well as state legislators, city councilman, borough presidents—and Mayors and Governors—into approving a public work that they might otherwise not have approved. Open bidding would have defeated this purpose. Banks would not push hard for a public work if they knew that after it was approved they would have to bid against other banks for its bonds—and might not get them at all. Banks would only push hard if they knew before the work was approved that they would profit from it.

So Moses let them know. He inserted in the Public Authorities Law a section—561—that permitted the Triborough Authority to sell its bonds at either open sales or through "private placement," and, of course, he invariably selected "private placement"—with the banks that had been working with Madigan on the issue since its earlist stages And since the aim of the use of private placement was to place power behind his proposals, he selected as the favored banks those that had the most power to place there.

"Chase"—mighty Chase—had the most The Chase Manhattan Bank, and the Rockefeller family that controlled it. Chase—the principal twentieth-century repository and instrument of the wealth and power of the nineteenth-century Standard Oil robber baron—traditionally, as Theodore H. White notes, "raised the big New York money for Republicans." William O'Dwyer, who tried to buck its power once, found out just how much it had, and later commented bitterly: "There's a dictator in New York City, and I'll tell you who it is. It's the Chase Manhattan Bank." Not that Chase's power was selected by Moses as the trustee of Triborough's bonds and hence was the single largest recipient of the lucrative service fees connected with them.

The Chemical Bank began wheeling and dealing behind the political scenes increasingly during the postwar era, executing an end run around the Federal Corrupt Practices Act by having various officers and directors establish, and contribute heavily to, a "Fund for Good Government" that in its turn made heavy political contributions, notably to the Nassau GOP machine and the Bronx Democratic organization headed by House Public Works chairman Charles A. Buckley. The Chemical Bank was the second-largest recipient of Triborough service fees. A Chemical officer, asked if the bank had ever purchased Triborough bonds, replied: "We bought a ton of them." The remaining service fees—and the lucrative underwriting profits and the right to purchase Triborough bonds direct from the source—were divided up among the Morgan Guaranty Trust, the Marine Midland Bank, the Manufacturers Hanover Trust and the United States Trust, a quartet of banks each of which possessed considerable political clout.

The assets of such banks dwarfed the $200,000,000 of which Tom Shanahan at Federation Bank and Trust was so proud; Chase's assets in 1974 were thirty *billion* dollars. And so was their power. And now this power—the power of the greatest pool of liquid capital in the civilized world—was at the service of Robert Moses. He had a friend at Chase Manhattan, and the friend was its president; "No one will ever be able to thank you adequately for the contributions you have made to the city," David Rockefeller wrote him. He had a friend at virtually every major financial institution in New York. Says one observer of the New York political scene: "Whenever Moses made a proposal—and I mean over a period of years and years and years—you could invariably be sure that behind the scenes, the banks would be pushing for that proposal. Pushing hard."

Mr. HELMS. Mr. President, the Governor has stated that the loans were made out of friendship and affection. I am not questioning the motives of the Governor, since we still do not know if we have all the facts. The law further forbids loans or gifts "which could reasonably be expected to influence him, in the performance of his official duties." So the question does not turn entirely on the Governor's motivation. The legal standard is whether the loans or gifts "could reasonably be expected to influence him." The ultimate question is not what the Governor thought he was doing, but what other people might reasonably think he was doing. So that even though the Governor's intentions might be proper—and I do not intend to characterize them at this time—the ultimate standard is whether such loans or gifts might give a reasonable appearance of impropriety.

The laws of New York, therefore, appear to set a very high standard of conduct, and a very low threshold of illegality. As Senators of the United States, it will become very important to find out exactly when Dr. Ronan was on a State payroll, and when the admitted six loans were made. Governor Rockefeller's motivations may be set aside as an issue, so long as no concrete evidence appears that they were less than altruistic. As Senators we will have to decide whether a loan of a half million dollars made in secret might reasonably be expected to influence a State employee, no matter what human considerations may be involved.

Of course, Dr. Ronan is not the only State employee who was the beneficiary of loans and gifts from Governor Rockefeller. Edwin J. Logue, Alton G. Marshall, Joseph H. Murphy, Jerry Danzig, and perhaps others on the list submitted by the Governor, may have been the beneficiary of loans at the time they were on the State payroll and after the public officers law was enacted. I hope that the Rules Committee will call not only Governor Rockefeller and Dr. Ronan, but also every present or former State of New York employee who has been identified as a loan recipient, so that the chronology and conformity with the law may be ascertained. The Senate does not sit as a judge and jury upon Governor Rockefeller, but before a man is confirmed as Vice President under the 25th amendment, these matters ought to be clarified.

Mr. President, I ask unanimous consent that chapter 28, "The Warp on the Loom," from Mr. Caro's book, which contains an explanation of the development of the public authority concept, be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[From Robert A. Caro: "Robert Moses and the Fall of New York"]

28. THE WARP ON THE LOOM

No State shall . . . pass any . . . law impairing the obligation of contracts . . . — The Constitution of the United States of America, Article I, Section 10.

The authority shall have power . . . to make contracts. . . . —Consolidated Laws of the State of New York, chapter 43-a, article III, title 3: "Triborough Bridge Authority."

The public authority was not a new device. The first of these entities that resembled private corporations but were given powers hitherto reserved for governments—powers to construct public improvements and, in order to pay off the bonds they sold to finance the construction, to charge the public for the use of the improvements—had been created in England during the reign of Queen Elizabeth. By the time Robert Moses went to Oxford three hundred years later, there were 1,800 such part-public, part-private bodies in England, including the huge Port of London Authority (named "Authority" because the clauses in the Act of Parliament that spelled out its powers began with the words *Authority is hereby given*) and highway-building boards whose roads were named "turnpikes" because they were blocked with horizontal bars (or "pikes") set into revolving pillars that would be turned aside to let a carriage pass only after the toll was paid.

But the public authority concept was new in the United States. There may (or may not—there exists no reliable history of authorities) have been a few collecting tolls on rural roads (hearing rumors of one in North Carolina, Jimmy Walker contemplated setting one up in New York to enrich his friends), but at the time Moses went to Oxford the only urban authorities in existence on the western side of the Atlantic were a bare handful set up to build small water-supply systems. The Port of New York Authority, the first large authority in America, modeled on its London counterpart and created by an interstate compact between New York and New Jersey, would not be created until 1921, would not float its first bond issue until 1926 and would not become financially successful until 1931, when, after five years of near fiscal disaster, it would persuade the two states to let it take over the highly successful Holland Tunnel, which had been constructed by an independent commission.* It was not until the New Deal when Depression-strapped municipalities, unable to finance major public works themselves, suddenly realized that RFC and PWA grants were available for self-liquidating projects, that urban authorities began to be established in any number. In 1933 and 1934, when Moses was playing the crucial role in setting up the Triborough, Bethpage, Jones Beach, Henry Hudson, Marine Parkway and Hayden Planetarium authorities—and a lesser but still key role in the creation of seven other authorities—there were only a few handfuls of other authorities in the entire country.

With the lone exception of the Port Authority, moreover, every public authority created in the United States had been created in a single pattern: each had been established to construct and operate, one, and only one, public improvement, a single isolated bridge or tunnel or sewer system, to issue only enough bonds to pay for the construction of that improvement, and only bonds with a fixed expiration date, and, when that date arrived—or sooner, if revenue was collected faster than expected—to pay off the bonds, eliminate all tolls or fees, turn the improvement over to the city and go out of existence. The Port Authority, empowered to operate several improvements, had become America's first "multi-purpose" public authority, but each of its projects fit the traditional pattern since each was financed by a separate bond issue and both Authority members and public officials expected that as soon as each issue was paid off, the tolls on the facility financed by that issue would be eliminated.† Motivated by the failure of several Port Authority projects to earn enough to meet the interest and amortization payments on their bonds, the Authority's brilliant general counsel, Julius Henry Cohen, was attempting in 1934 to break new ground by devising a new kind of bond and persuading bankers who held the Authority's outstanding bonds to accept the new one in their place. Under the plan Cohen had in mind, the individual bond issues would be combined into a single general issue supported by the revenues from all Port Authority enterprises, a move which would allow use of the Holland Tunnel surpluses to bail out such money losers as its two bridges connecting Staten Island with New Jersey. And since the new issue would be "open-ended," the Authority could use any over-all surplus to finance new projects. The bankers refused to consider "open-end" bonds for unspecified new projects but, in 1935, did agree to a consolidation of outstanding bonds in a "General and Refunding Bond" that could be used for *one* new project—the proposed Lincoln Tunnel—and it was this bond, rather than any devised by Moses, that was the first bond issue in the United States secured not by a single public improvement but by an authority's general revenues.

But Moses went much further. Originally, he had conceived of his authorities in the traditional mold: the legislation he had drafted establishing the Triborough, Henry Hudson and Marine Parkway bodies, for example, had explicitly authorized each to construct on a single, specific project and to issue bonds only for that project; the bonds were to be paid off as soon as possible, and not only was a time limit (forty years) set on their expiration but that time limit also limited the authority's life—as soon as its bonds were paid off, it was to go out of existence and turn over its bridge to the city government. The legislators who had created Robert Moses' authorities and the mayor who under the State Constitution had had to ask the legislators to create them had conceived of them as mere creatures of the sovereign city. Legislators and mayor, as well as the city's citizens, continually reminded by the press of the long tradition that all its bridges be toll-free, had been assured that the tolls would be removed forever as soon as their cost had been paid for. And there had been no deliberate attempt to mislead them: Robert Moses had thought of public authorities as men had always thought of public authorities.

But Robert Moses' thinking was changing. The primary factor behind the change was money.

The carrying charges—insterest and amortization—on the $5,100,000 in bonds that had been sold to pay for the Henry Bridge were about $370,000 per year, a sum that could be collected, at ten cents per car, from 3,700,000 cars. But the number of drivers handing their dimes to the bridge toll collectors was not 3,700,000. In 1938, it was 10,300,000; in 1939, 12,700,000. And maintenance costs on bridges were, Moses was learning, gratifyingly minimal. Painting the entire Henry Hudson, for example, cost only $18,000, and painting was needed only once in four years. The salaries of toll collectors, the only operating personnel required, totaled less than $50,000 per year: "Our bridge was fabulously successful," Jack Madigan would say. "We were earning—after the carrying charges—$600,000 per year

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* Moses had played a small but significant role in the tunnel's construction. One of his first assignments for Al Smith was to analyze two conflicting construction proposals, the commission's plan to build the tunnel by conventional methods at a cost it estimated at $28 million and General George W. Geothals' plan to build it by a new method at a cost Geothals estimated at $12 million. The young reformer, unequipped with the slightest practical experience in construction, interviewed the famed builder of the Panama Canal, and gave Smith his verdict: "a great personality, a go-getter, but neither a great engineer nor a financier." Equally unimpressed with the commission's engineers, he talked with independent experts and concluded—and told the Governor—that the Geothals plan "would not work" and that while the commission's would, the cost would be not $28 but $48 million. Smith's reaction, Moses was to recall, "introduced me to his extraordinary head for facts and figures and his immense loyalty to his assistants, no matter how green, young and new at the game." Ignoring protests, the Governor threw out the Geothals plan and accepted the commission's, but allocated for it the $48 million that Moses had suggested. The actual cost turned out to be $49 million.

† Because the facilities would thereafter belong to not one but two states, there were plans to have them run by bistate commissions with members appointed by both legislatures.

NET!!!" And that was just one bridge! The Triborough, on which the annual carrying charges were about $1,800,000, but on which the toll was twenty-five cents for cars and more for trucks, was by 1938 earning per year NET!!! $1,300,000. More significantly still, on all Moses' bridges, the traffic volume for each month was higher than the volume for the corresponding month the previous year; clearly, volume—and revenue—was going to be far higher than even those fabulous figures.

Under the laws creating the authorities—the bills that Robert Moses himself had drafted on his yellow legal note pads—unexpectedly high revenues could be used in only one way: to retire an authority's bonds faster than scheduled, to speed the date when the authority would go out of existence and turn its bridge back to the city.

With surpluses of such unprecedented size, the bonds of Moses' authorities would be retired very fast indeed. At the rate the Henry Hudson Bridge was making money, for example, its cost would be amortized not in forty years but in ten years, perhaps, or nine, or eight. In a decade or less, the bridge that the city had never been able to finance would have been built by Robert Moses—built and paid for, to stand for centuries as a great free public improvement for its citizens.

Using the surpluses in the way required by law would therefore make the Henry Hudson Bridge—and the Triborough—spectacular successes, all the more spectacular in a city in which public works always seemed to cost the public more, not less, than anticipated.

But this was not the kind of success in which Moses, obsessed by accomplishment and power, was interested. Money—revenue, surpluses—was the key to accomplishment and power—but only if he could keep it and use it. It was of no use to him if he had to give it to bankers as fast as he got it. It was of no use to him if, as soon as he had paid off the bankers, he had to surrender control of his bridges. Money was of use to him only if, in other words, he was able to use the bridge surpluses for other purposes than bond paying and if he was able to keep control of the bridges instead of turning them over to the city. And under the law this was impossible.

But what if the law was changed?

What if, in some way, he was able to keep the money?

Madigan and others close to Robert Moses saw his supple mind coiling around the possibilities. The actuality of the money, he began to realize, was not its most significant aspect. Its potential was what mattered. The total annual income of his authorities was, by 1938, $4,500,000. This amount was not insignificant to him; it was as large as his total annual Park Department budget. But it was not as significant as $81,000,000. And $81,000,000 was the amount of forty-year, 4 percent, revenue bonds that could be floated—"capitalized" was the word in the bankers' vocabulary that Moses was learning—with an income of $4,500,000. If he was able to keep the authorities' revenues and use them to float bonds, he would be able to float $81,000,000, or $35,000,000 more than the total $46,000,000 in bonds that the three New York City bridge authorities currently had outstanding. He would have $81,000,000 to use to create dreams and power.

Much more than $81,000,000, in fact.

The multiplier factor would be increased by the proven success of his bridges. When he and Jack Madigan had originally been attempting to persuade bankers to invest in the authorities, the ability of toll bridges to attract substantial amounts of traffic had been in doubt, and the bankers had therefore demanded a coverage of 1.75 or 2.00 (anticipated earnings double that required to cover interest and amortization) and a return of 4 percent on their investment. New toll bridges were a proven commodity. Bankers might settle for a coverage of 1.5 or even 1.4 and an investment return of 3 percent or even 2.75, and any reduction in coverage or interest rates meant an increase in the amount of bonds that the authority income could capitalize. More important, if some of the money raised by the floating of new bonds was used to build new bridges on which tolls could be charged, the authorities' income would be more than $4,500,000. Since each dollar of tolls could capitalize roughly eighteen dollars in bonds, there was therefore an additional built-in multiplier factor at work: the more public works he built, the more money he would have to build still more public works. And this factor would work indefinitely—forever, possibly.

Robert Moses had built public works on a scale unmatched by any other individual in the history of America. But all the highways and parks and bridges he had built were little more than nothing next to the highways and parks and bridges that Robert Moses wanted to build. He had turned into reality his dream of a great parkway along Manhattan's shoreline, but there was still the Brooklyn shoreline, and the Staten Island. He wanted parkways there, too—a "Circumferential" or "Belt" for Brooklyn, a "Shore" for Staten Island—and he had wanted them, and been arguing for their creation, for more than ten years. He had built fifty miles of highways in the city, but there were a hundred more miles that he wanted to build. He had reshaped to his own vision an urban park system that absolutely dwarfed any other urban park system in the United States, but the parks he had created in New York were in their turn dwarfed by the parks that he dreamed of creating; it had been 1930 when he had proposed a Soundview Park and a Flushing Meadows Park and two Marine Parks and a park—the greatest of all urban waterfront parks—in Jamaica Bay, and now it was 1938 and these parks were still only proposals. Where was the Rockaway Improvement? Even those parks that he had been able to create in the city, moreover, had not been created as he wanted; he had been forced to scale them down, to use inferior materials, to compromise. As for bridges, he had built in the city three, including one that was the greatest traffic-moving machine in the history of civilization, but he wanted to build at least four more—including one even larger than Triborough.

And that was just in the city. What about the areas around it? There were parkways on Long Island, all right, but not his greatest parkway—the ocean- and bay-bordered Fire Island masterpiece. There were parks—11,000 acres of parks, the greatest state park system in the country—on Long Island but he could foresee all too clearly the day there would be so many people living in the metropolitan area that 11,000 acres would not be nearly enough. After a decade and a half of building public works, the public works he had not yet built loomed before him larger than ever.

Moreover, the chances of building them seemed to be growing steadily more remote. Only the New Deal had enabled him to make even as much of a start as he had on his plans for New York City. Now, in 1938, the New Deal well was running dry, and La Guardia was insisting with a new firmness that he stop trying to lap up the city's share all by himself. Albany was drying up, too; each year Herbert Lehman was finding it more difficult to obey the law that required him to balance the state's budget. As for the city, La Guardia may have pulled it back from the door of fiscal death, but not even La Guardia could restore it to fiscal health; the corruption that had preceded him had weakened the body politic far too seriously. Political realities, moreover, made it unlikely that health could ever be restored. Existing taxes could support an annual budget—the budget out of which the debt service for new bonds for new public works would have to be paid—of about $575,000,000, and the debt service and salaries loaded on by Tammany ate up $500,000,000 of that even before other necessary expenses were figured in. As for the so-called "capital budget," there was no leeway in that, either; the city was constantly bumping up against the state-imposed ceiling that limited its borrowing capacity to 10 percent of the total assessed valuation of real property; the city's fiscal inability to construct public works was so pronounced that by 1940 La Guardia, who had dreamed of carving out a beautiful new metropolis, would have no choice but to limit new capital spending for the year to a symbolic one dollar. Because the city was a creature of the state, city taxes could be increased and the city budget ceiling raised, only the State Legislature, and not only the Legislature's conservatism but the influence wielded within it by the city's own propertied interests, which wanted the key property taxes kept down and, to protect the bonds they held, as few new bonds as possible issued, made the Legislature as reluctant to take those steps as La Guardia was to ask it to do so; desperately anxious to reshape his city La Guardia might be, but he was not anxious enough to court political disaster by asking for new taxes. Surveying such realities, Moses could see no reasonable possibility, in any foreseeable future, of the city being able to finance his dreams. If he wanted to remake the city, it was clear, he was going to have to do the job without its money.

But if he was able to keep the authorities' revenue, keep them indefinitely, he would have the money.

He would, moreover, have money he would be free to use as he chose.

Tens of millions of dollars had been placed in his hands already, of course—by Governors and Legislatures, by Mayor and Board of Estimates, by federal alphabet-agency administrators. But these had been millions hedged about by all the safeguards—the rules and regulations and established procedures, the technicalities—that had been established by generations of legislators and bureaucrats and that made it so difficult to Get Things Done.

Tens of millions of dollars had been given him to hire men, but he had been required to hire them according to civil service regulations which made it difficult for him—in most cases made it impossible for him—to hire the kind of men he wanted: the *best* men, the best engineers, the best administrators, the best ramrods, the best laborers. Under those regulations, he couldn't pay them enough to attract them to his service. He couldn't even hire whom he wanted of the men available at the salaries he *could* pay; he had to hire off civil service lists. These regulations could sometimes be circumvented, of course—no one circumvented them as cleverly as he, as was proven by the quality of his "Moses Men"—but they could be circumvented only with difficulty and delay, the delay he hated. And they could not be circumvented wholesale: the "Moses Men" were a prize cadre, but a cadre was not an army, and he was constantly raging at the quality of the main body of his troops, noncommissioned officers as well as enlisted men; once the Depression eased, civil service salary limits had made it impossible to keep loyal to his colors more than a handful of the prized seven hundred and fifty ramrods he had recruited during its depth. Civil service regulations made it impossible for him even to drive men as he wished to drive them: to drive men mercilessly you have to have threats to hold over their heads; the ultimate threat—dismissal—was all but denied him by the regulations; and dismissal for even a legitimate cause was a cumbersome and tedious procedure that had none of the efficacious effect on other workers of a snappy "Pick up your time and get out" from Art Howland or Earle Andrews. Civil service regulations had prevented him from using his men flexibly and efficiently; because he had to hire men out of allocations for a specific upstate or Long Island park commission or the New York City Park Department, and civil service regulations required him to use an employee of a public agency only on that agency's work, it was illegal for him to assign an upstater to a city job even if he was best qualified for it. Most important, civil service regulations required him to hire men only for specific purposes approved by Legislature or Board of Estimate, and these purposes had never included the one most vital to his aims: long-range planning. For more than ten years he had been scheming, scrapping and saving to build up a "stable planning force"—without success.

But changing the law would give him one. The Legislature had placed public authorities under civil service, of course, but the power of Civil Service Commissions to enforce their edicts rested, as Moses had learned from the bitter experience of his youth, on the power to disapprove salary payments—on the commission's control of the purses out of which municipal and state agencies drew their "personal service" funds. It rested on the power of money. Let him have the money—let him keep control of the authorities' revenues—and he, this man, who had mastered the intricacies of civil service as well as any man who ever lived, would be able to devise a hundred ways to manipulate Civil Service Commission rulings to his own ends. He would be able to attract to his service the men his sharp eyes had picked out of the herd, to hire and fire them as he pleased, to provide them with material rewards huge enough to make them endure his driving and his demands and to guarantee their absolute loyalty. And he would be able to hire men not only for specific but for general purposes. He would be able to have, at last, his stable planning force. Let him keep the control of the authorities' revenues and he would be able to study transportation needs before elected local officials studied them. He would be able to determine by his own criteria which transportation facilities should be built and in which order. He would be able to determine by his own criteria *how* these facilities should be built—what their design, size and precise location should be. He would be able to translate these general plans into detailed blueprints and specifications. And then, when the time was right—when a large new state or federal grant became available, or when the public was demanding a solution to the transportation problem—he could present these plans to elected officials as the solution, a solution already engineered, already designed, already costed out, a solution feasible engineeringly and economically, a solution whose planning was already a *fait accompli*, a solution that awaited only their approval for implementation, a solution for which, in many cases, money—the money of his public authorities—was already available. What official would then be willing to risk public antagonism by withholding that approval?

And if an official did dare to suggest an alternative, what good would it do him? The city possessed neither an engineering corps capable of planning large-scale public works nor money to hire in sufficient numbers engineers who did possess such capability. For that matter, the city had no money to build an alternate large-scale public work if it wanted to. It would be dependent upon the federal government or upon Moses' authorities to provide the cash. Federal money might well be lost by the delay additional studies would entail; as for the authorities' money, cross the man who was offering it and he might (bearing in mind that the man was Robert Moses, he probably would) withdraw the offer, and the official then could be accused of having cost the city a great public improvement. Let Moses keep control of the authorities' revenues and there would be no more nonsense about the Mayor or the Board of Estimates studying alternate routes for a highway or alternate locations for a bridgehead or alternate methods—mass transportation instead of highways, for example—of solving transportation problems. In the fields he had chosen for his own, the city would have to build public works where and how he chose.

Additional tens of millions of dollars had been given to him for non-salary items—construction costs, mainly—but he had been allowed little leeway in the spending of that money either. Much of it he had to give to contractors—under strict regulations which not only required him to award contracts to the lowest qualified bidders, thereby preventing him from making awards to firms he personally favored, but also set many conditions designed for economy, a saving of taxpayers' money, rather than for the speed he wanted; strict restrictions on overtime had been especially irritating to this supreme ramrod, this archetypal top sergeant, who wanted his projects driven forward around the clock.

Allocations directly to his agencies allowed him even less leeway; such appropriations were made "line by line" for specific items. And members of the Legislature or Board of Estimates—accountable to the voters and therefore anxious not to make any appropriations that appeared to waste their money (and anxious as well not to let Moses further expand his empire)—resisted especially making any appropriations to him for the PR items which would seem blatantly wasteful to taxpayers but which Moses knew were vital to Getting Things Done: the printing of impressive, persuasive brochures and pamphlets, the creation of large-scale dioramas and scale models ("It never ceases to amaze me how you can talk and talk and talk to some guy about something you've got in mind, and he isn't very impressed, and then you bring in a beautiful picture of it or, better yet, a scale model with the bridge all in white and the water nice and blue, see, and you can see his eyes light up," Jack Madigan says); the hiring of public relations men to visit publishers, editors, reporters and radio commentators as well as nonmedia influentials, sell them on a project in advance, escort them on pre-opening limousine or yacht tours, leak them information that would place Moses' views in a favorable light (and his opponents' views in an unfavorable light); the rental of the necessary limousines; the hiring of the "bloodhounds" to dig up facts about an opponent that could induce him to cease his opposition, or, should he prove stubborn, could be leaked into print to discredit him; and, especially important to Moses because it gave him a chance to exercise his matchless charm as host, the laying on of hospitality—intimate luncheons for key individuals or lavish buffet luncheons for influentials by the hundreds—at which he could drape a big arm over a recalcitrant borough president's shoulders and use the glow induced by good food and fine wine to win him to his cause. He had, of course, used his ingenuity, and his skill at circumvention of the spirit if not the letter of the law, to publish brochures, hire public relations men, purchase limousines and host luncheons in the past. But he had never had enough money to do all this as lavishly and effectively as he wanted. But let him keep the authorities' revenues and he would have enough.

Changing the law might give him more than money. Changing the law might give him power, more power than he had ever attained before. Money itself is power, of course, but the power he was thinking about now was power of far greater dimensions.

A public authority, he had learned, possessed not only the powers of a large private corporation but some of the powers of a sovereign state: the power of eminent domain that permitted the seizure of private property, for example, and the power to establish and enforce rules and regulations for the use of its facilities that was in reality nothing less than the power to govern its domain by its own laws. The powers of a public authority were vested in the board of that authority. If there was only one member of that board in fact (as in the case of the Henry Hudson Parkway Authority: Robert Moses, Sole Member) or in practice (as in the case of the Triborough Authority, whose other members would routinely rubber-stamp Moses' actions), the powers of the authority would be vested in that member—in *him*, Robert Moses.

And there was another dimension in his thinking, too. Keen as always in discerning the potentialities for vast power in humble institutions, he had glimpsed in the institution called "public authority" a potentiality for power whose implications no one else—no one in City Hall or the Albany Statehouse for certain and, so far as research can determine, no one anywhere in the United States—had noticed, but that were exciting and immense.

Authorities could issue bonds. A bond was simply a legal agreement between its seller and its buyer. A legal agreement was, by definition, a contract. And under the Constitution of the United States, a contract was sacred. No state—and no creature of a state such as a city—could impair its obligations. No one—not Governor, not Mayor, not State Legislature, not City Board of Estimate—could interfere with its provisions. If Robert Moses could write the powers which had been vested in him into the bond contracts of his authorities, make those powers part of the agreements under which investors purchased the bonds, those powers would be his for as long as the authorities should remain in existence and he should control them. If he could keep the authorities in existence indefinitely and could keep his place at their head, he would hold those powers indefinitely—quite conceivably, until he died. The powers might have been given him by the Legislature and the Governor at the request of the Mayor and City Council, but if he embodied those powers in bonds, neither Legislature, Governor, Mayor nor City Council would ever be able to take them back.

Giving public authorities indefinite existence and such vastly expanded powers would not be easy. In proposing to give the institution substantial governmental powers and a lifespan at least of decades, possibly of centuries—in proposing to make it an institution that might endure as long as the Republic endured—Moses was in effect, whether or not he thought in such terms, proposing to create, within a democratic society based on a division of powers among three branches of government, a new, fourth branch, a branch that would, moreover, in significant respects, be independent of the other three.

The public officials whose approval was necessary would never give it. Those who were thinking men would realize that if they gave it they would be adding, without sufficient thought and consideration by themselves or by the public which should have the final say on matters of such significance, a whole new layer to urban government in America. The rest of them, concerned with power and patronage, would realize that to the extent they gave away power, they would be diminishing their own power. The key body whose approval was necessary—the Legislature that under the State Constitution alone had the power to create new authorities—had been fighting for years to keep Moses from gaining more power, from building his own empire within the state government. The Legislature would never approve the bills Moses was drafting if they understood them.

So Moses would have to keep them—and all the other officials involved—from understanding. He would have to persuade Mayor, City Council, Legislature and Governor to approve his bills before they realized what was in them.

In 1924, he had faced a similar problem—and had solved it successfully, persuading a naive assemblyman to introduce, and hostile Republican legislative leaders to accept, bills that appeared innocuous but gave the Long Island State Park Commission vast new powers. This time, however, the job would be harder. His aims now were far more ambitious, the powers which he wanted now were far broader than those he had wanted then. And in 1924, he had had the Governor on his side. Now he had no one on his side. If a single person in Albany or New York—Democrat, Republican Governor, Mayor, assemblyman, councilman, any one of the thousand sharp-eyed lawyers who prowled the Capitol and City Hall—caught even a glimpse of his true aims, and sounded the alarm, he would never be able to accomplish these aims. He had to conceal his purposes from everyone.

The safeguards included in all previous New York State legislation on authorities to limit their lifespan were the provisions setting a time limit on their bonds, a date by which each authority must redeem all its bonds, surrender control of all its facilities and go out of existence. Moses, drafting amendments to the Triborough Bridge Authority Act, knew that the Legislature would never agree to the elimination of these safeguards.

So he didn't eliminate them.

He just made them meaningless.

Right at the beginning of the original Triborough Act—in Section One, in the portion labeled "Existence"—the act said explicitly that the Triborough "board and its corporate existence shall continue only for a period of five years and thereafter until all its . . . bonds have been paid in full . . . ," a provision which when coupled with a provision setting the maximum life of the bonds at forty years, was intended to limit the maximum life of the Authority to that span. The amended Triborough Act which Moses was proposing said the same thing—in the same place, right at its beginning, in Section One.

But it also said something else. Not at its beginning and not in the portion labeled "Existence," but long, legalistic pages later, buried deep within the act, in a subdivision of Section Nine, a subdivision and a section that otsensibly had nothing to do with "Existence," there was a new sentence: The authority shall have power from time to time to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose.

"He had figured out a gimmick," says Reuben A. Lazarus, drafter of the original Triborough Act and himself a master of the gimmick—and as Lazarus spoke a smile broke over his old, wrinkled face despite his attempts to conceal it, and his voice was filled with admiration, the admiration of a master of a difficult craft for a man who was more than a master. "That sentence looked so innocuous. But it changed my whole act completely With that sentence in there, he had power to issue forty-year bonds and every thirty-nine years he could call them in and issue new bonds, for another forty years. La Guardia had thought that authorities . . . would be temporary creations that would build something and then turn it over to the city and go out of existence as soon as it was paid off. But with that gimmick in there, it would never be paid off."

Never. The existence of the Triborough Authority "shall continue only until all its bonds have been paid in full," the act said. But, because of Moses' amendments, the Authority no longer had to pay its bonds in full. Every time it had enough money to pay them in full, it could instead use the money to issue new bonds in their place. The amendments meant that unless it wanted to, the Authority wouldn't ever have to turn its bridges over to the city. It might, if it so desired, be able to keep the bridges—and stay in existence—as long as the city stayed in existence.

The safeguards included in all previous New York State legislation on authorities to limit their scope were the provisions setting a limit on the amount of bonds each could have outstanding, a limit sufficient to pay only for the specific project or projects the Legislature wished it to build and nothing more. The Triborough Act contained such a provision, a clause stating that the Authority could not have outstanding more than $53,000,000—an amount sufficient only to cover its $35,000,000 share of the cost of the Triborough Bridge and the $18,000,000 cost of the Bronx-Whitestone Bridge. But Moses' gimmick made that restriction meaningless, too. For by authorizing the Authority to issue new bonds not only to pay off old ones but also for "any other corporate purpose," it was authorizing it to keep its indebtedness at $53,000,000 even though it had money available to pay off part, or even most, of that figure. If, for example, the income was high enough to pay all its carrying charges and also accumulate a surplus, which after five or ten years amounted to $20,000,000, the Authority could then call in $20,000,000 of its outstanding bonds, pay them off and therefore have only $33,000,000 outstanding. Its legislatively authorized borrowing capacity would still be $53,000,000. Its revenues would support that amount of bonds. So the Authority would have $20,000,000 of borrowing capacity. It could issue $20,000,000 in new bonds and use the proceeds of the sale for "any corporate purpose."

And what were such purposes?

The original Triborough Act had given the Authority power to build only the two bridges and their "approaches." Moses' success in persuading the PWA that approaches could mean roads leading to the bridges had greatly expanded the Authority's power.

Now he proceeded to expand it further.

The new, amended, Triborough Bridge Authority Act that Moses was proposing still said first that the Authority's powers were to build bridges and their approaches. But, in later sections, it also said some other things.

The act empowered the Authority to acquire land for and construct not only approaches but "new roads, streets, parkways or avenues connecting with the approaches," and to widen existing roads, streets, parkways or avenues connecting with those approaches. The word "connecting" was innocuous—unless one began to think closely about what it would mean if Moses expanded its definition as he had expanded the definition of "approaches." If an approach was miles long—the Queens "approach" to the Triborough Bridge, for example, was six miles long—scores of roads, streets, parkways or avenues intersected (*"connected"*) with it. Under the amended act he was proposing, the Triborough Authority would have the right to widen any or all of them. It would have the right to build a new thoroughfare that would connect with the approaches anywhere along their length. And how long could that thoroughfare be? A block? A mile? Five miles? Ten? Could it be a highway that ran clear across the city? Under the amended act he was proposing, it certainly could. And suppose he wanted to build another—third—highway, to intersect with the one he had built to intersect with the approaches? Since this new, third, road would connect with the second, and the second would connect with the approaches, why could not the third be said to connect with the first? Under a liberal definition—a definition such as Moses had long since proven himself adept at making—quite possibly it could. Quite possibly, in fact, one could say that any major thoroughfare in the city "connected" wtih any other. And if one could say that, one could say that the act that Moses was so carefully drafting would mean that the Triborough Authority could have the right to construct highways throughout the city, in many respects exactly as if it were the city government itself.

And not just highways. Another clause in the act gave the Authority power "in connection with the Whitestone Bridge project and with new or existing roads, streets, parkways and avenues connecting with such project." Under the act Moses was drafting, the Authority would be able to build parks along any highway it might construct. Since the Authority would be able to build highways throughout the city, it would be able to build parks throughout the city, too.

And not just highways and parks. Buried still deeper within the act Moses was drafting was a clause giving the Authority the right to build and operate *any* "facilities for the public not inconsistent with the use of the project." Not with the *project*. With the *use* of the project. Since the project consisted of bridges, roads and parks, why, under that clause, would it be inconsistent for the Authority to build housing nearby that would allow more members of the public the convenient use of those bridges, roads and parks? Why, for that matter, would the construction of *any* public facility be inconsistent with the use of the project? An aggressive Authority chairman, anxious to stretch the powers in the act to the limit, could well find in that phrase legal authorization to build any type of public facility he chose anywhere along the Authority's bridges, roads, streets, parkways, avenues and parks—anywhere, in fact, in the city.

And the best bill drafter in Albany set to work to make sure that, in building and operating its projects, the Authority, despite the limitations on its power by the State Legislature, would nevertheless possess powers equal to those possessed by the state—or by the city of which, in theory, the Authority was merely a creature.

Legislature and Mayor had sought to insure that the Authority would be subordinate to the city by including in the old act the provision that the City Comptroller should be the Authority's "fiscal agent." The new act included the same provision. In drafting the section entitled "Moneys of the Authority," Moses began it, in fact, with the flat statement: "All moneys of the authority from whatever source derived shall be paid to the comptroller as agent of the authority." The meaning of this sentence must have seemed clear to any legislator who read it. The definition of "fiscal agent" was well established; he was the individual empowered to receive and pay out a corporation's moneys. But later in the section, Moses added another sentence: "The moneys . . . shall be paid out on check of the Comptroller on requisition of the chairman of the authority. . . ." With that sentence added, the Comptroller, while still authorized to receive the Authority's moneys, would be able to pay them out only on Moses' requisition—would, in other words, be able to do with them only what Moses wanted him to do. He was still required to take Moses' money to the bank and deposit it there, but he was now forbidden to take the money out again without Moses' signature on the withdrawal slip. The sentence that Moses had slipped into the act meant that although the Comptroller of the City of New York would be called the Authority's agent, he would really be no more than its errand boy.

Legislature and Mayor had sought to insure that the Authority would be subordinate to the city by including in the old act the provision that the city would "own" all Triborough projects. The new act said that it did—flatly and clearly. But it also said that "the authority shall retain full jurisdiction and control over all its projects. . . ." The city might own the Triborough Bridge, but only the Triborough Bridge Authority could run it.

By the time Moses had finished drafting his amended acts, his authorities had not only all the powers of "bodies corporate" but many of the powers of "bodies politic"—including bodies politic that were sovereign states. His authorities had the right to "do all things . . . that a business corporation can do"—to sue, for example, to make contracts and bylaws, to acquire real estate and use it or lease it or dispose of it, and, of course, to issue bonds—and they had the right to do many things that private corporations could not do. They had the power to own public facilities, to require the public to pay tolls for their use and to prevent the construction of competing facilities so that the public had no choice but to pay those tolls. They had the right to govern their domain by making their own laws ("rules and regulations for the protection of" their property which "shall have the force and effect of law," with violations "triable by a city magistrate and punishable by not more than thirty days imprisonment, or by a fine of not more than fifty dollars, or both") and to maintain their own police force (hundreds of Authority "Bridge and Tunnel Officers") to enforce those laws. They could have their own great seals ("and alter the same at pleasure") and set their own statute of limitations (a private citizen suffering damages by negligence of a private corporation had three years to sue; a private citizen suffering damages by negligence of the Jones Beach State Park Authority had six months to sue). They had the sovereign power of eminent domain, and more—not only could they take a private citizen's property, they could enter the land before it was taken to make the surveys necessary to decide if they wanted to take it (never again would some Long Island farmer be able to ram a shotgun against Sidney Shapiro's chest and keep him off his land). They had, in fact, some powers that sovereign states—at least the sovereign state of New York—did not. They could let contracts without competitive bidding. Their officials could be removed only for cause; they were immune from the pleasure of the Governor.

And Moses made sure that these powers, these powers corporate and politic and, in some respects, greater than both, would be embodied, ultimately, not in the authorities but in him personally. In the case of the single-member authorities, of course, the authority *was* Robert Moses. The Triborough, Jones Beach and Bethpage authorities had three-member boards, but while their enabling acts said, "The power of such corporation shall be vested in and exercised by a majority of the members," it also said, "The board may delegate to one or more of its members . . . such powers and duties as it may deem proper."

Then Moses set to work to make sure that no one would ever be able to take those powers away.

He did it in Section Nine, Paragraphs 2 and 4, Clauses *a* through *i*. Paragraph 2 authorized the Authority to pass resolutions governing the sale of its bonds. The various clauses of Paragraph 4 said, when taken together, that the resolutions could contain provisions dealing with toll rates, Authority rules and regulations and *"any other matters, of like or different character, which in any way affect the security or protection of the bonds."* And Paragraph 4 also said that any such resolution "shall be a part of the contract with the holders of the bonds."

Legislation can be amended or repealed. If legislators were in some future year to come to feel that they had been deceived into granting Robert Moses wider powers than they had intended—the right to keep tolls on a bridge even after the bridge was paid for, for example—they could simply revoke those powers. But a contract cannot be amended or repealed by anyone except the parties to it. Its obligations could not be impaired by anyone—not even the governing legislature of a sovereign state. Section Nine, Paragraphs 2 and 4, Clauses *a* through *i*, gave Robert Moses the right to embody in Triborough's bonds all the powers he had been given in the legislation creating Triborough. Therefore, from the moment the bonds were sold (thereby putting into effect the contract they represented), the powers he had been given in the legislation could be revoked only by the mutual consent of both Moses and the bondholders. They could not be revoked by the state that had created the Authority or by the city whose mere instrumentality it was supposed to be. If he copied into the bond resolutions the legislation giving him the right to charge whatever tolls he wished, for as long as he wished, from the moment the bonds were sold that power could never be revoked without his consent. If he copied into the bond resolutions the legislation giving him his other new, broad powers, those powers could never be revoked. The elected representatives of the state and city might have given Robert Moses those powers. But the elected representatives of the state and city would never be able to take them back.

Previously, Robert Moses had always needed what he termed "executive support." He had learned during his first great effort in public life—his attempt to reform the municipal civil service, an attempt brought to naught by his betrayal by John Purroy Mitchel—that as long as he was an appointed official, he could not accomplish great dreams without the backing of the elected official who had appointed him, and he had never allowed himself to forget that fact. His skill at bill drafting and his hold on the public imagination had gained him a unique insulation from Mayors and Governors in his daily operations, but it had still been only a chief executive who could give him the money and power necessary for the creation of giant public works.

But now he needed executive support no longer. In the fields which he had carved out for his own—transportation and recreation—the passage of his "amendments" to the authority enabling acts had given him resources of money and power independent of Governors and Mayors. Their approval was no longer required. Before Moses, the public authority had been a mere instrument of the city, a body established by the city's duly constituted, elected officials to carry out one of their decisions. His public authorities had been set up to do what they wanted done. Now his authorities would do what he wanted done.

For years, Robert Moses had sought executive power himself, hastily switching his party allegiance in 1928 when he thought he had a chance for the Democratic nomination for Governor, switching back to Republican in 1933 when he thought he had a chance for the Republican-Fusion nomination for Mayor, finally obtaining a nomination and running for Governor in 1934.

Each such clutch at executive office had been an attempt to obtain more power through normal democratic processes. After the 1934 debacle, however, it was obvious that his path to power was forever barred to him. His voter-antagonizing personality meant that he was never going to be able to obtain that supreme power which, in a democratic society, only the people can, through their votes, confer.

But now he needed that power no longer. In many ways, the amendments to the authority acts had given him, in his fields of operation, more power than he would have possessed as chief executive of state or city.

And Moses knew it. Prior to passage of the authority amendments, he had scrounged for elective office. After the passage of those amendments, he disdained it. For the next twenty years he would with regularity be approached by men prepared to back him for a gubernatorial or mayoral nomination, and he would firmly discourage them. Robert Moses was interested in money and power, and he no longer needed elective office to obtain those prizes. After the passage of his authority amendments, he had them already. With the institution he defined as "a body corporate and politic," Robert Moses had, on a broader scale, simply repeated the formula successful for him at Yale and with the Long Island State Park Commission, carving out within the state and city governments but outside those governments' traditional, formal framework a unique, independent niche. Now, thanks to his penchant—his genius—for seeing potentialities for power where no one else saw them, in the future his public authorities as well as city officials would be making vital, city-shaping decisions.

He didn't even need public opinion any more.

"That's a slender reed to lean on," Al Smith had said. Now Robert Moses had something more solid: the firm, precise, unbreakable covenants of the bond resolutions.

Robert Moses still had all his old, immense, popularity. But were he, one day, to lose that popularity, the loss would no longer be nearly as disastrous as it would have been in the past. For no one—not the people, not the people's elected representatives, not the people's courts—could change those covenants.

The institution over which Robert Moses had waved his magic wand was one uniquely suited to be the fairy princess that would bring his dreams to life. It dovetailed neatly with his philosophy and personality.

Moses was driven by the need for tangible, indisputable evidence of accomplishment and achievement—evidence such as a public improvement. He was driven by a need to build. Building—building a public improvement—was an authority's primary function; apart from operating and maintaining that improvement, its *only* function.

Moses had what amounted almost to a horror of ceasing to build; of finishing a bridge, say, and then having nothing to do thereafter but keep it clean and collect tolls on it, of being forced, as he put it, "to be a caretaker, to have nothing to do but sit around and collect nickels and dimes for the rest of my life." If an authority ceased to build, it would die; if all it did was collect tolls, the tolls would pay off its bonds and when the bonds were paid off it would have no choice but to go out of existence. Only by continually embarking on new projects—which would require new bond issues—could an authority remain viable.

Moses' vision was on a scale so grand that it transcended the tangled network of boundary lines of the 1,400 cities, boroughs, counties, townships, villages, sewer districts, fire districts, police districts, water districts in the New York metropolitan area. As he had once seen Long Island entire, now he saw the metropolitan region as a single whole, and as he had once wanted to shape the whole Island, now he wanted to shape the whole region. Of all the region's governmental institutions, only an authority could transcend those boundary lines. The jurisdiction of every one of the 1,400 governmental units ended at that unit's borders, and any attempt by one of them to initiate a development which crossed its borders was jealously—and, invariably, successfully—resisted by its neighbor. The sacred right to "home rule" could not be tampered with even by a county; only by obtaining the consent of every incorporated hamlet that would be crossed by a proposed highway could the Board of Supervisors of Nassau or Suffolk or Westchester County build one. Even the state government violated "home rule" only at its peril. Only an authority could with impunity build a project across or through several jurisdictions.

Moses' methods of Getting Things Done were dictatorial, peremptory, arbitrary, arrogant—"authoritarian," an observer addicted to puns might conclude. An official of a conventional governmental agency had difficulty in employing such methods. An official of an authority did not. Many of the restrictions which gave the public recourse from the decisions of old-line agencies did not even exist for public authorities. The symbol was the public hearing, the exemplification of everything Moses detested about normal democratic processes. Under law and custom, conventional governmental agencies could not embark on any large-scale public improvement without holding public hearings. An authority could.

Moses' methods—the methods with which he swayed politicians to his side—required secrecy. An authority gave him secrecy, for unlike the records of conventional governmental agencies, which were public, subject always to inspection, an authority's records were corporate records, as private as those of a private corporation.

Moses' image—the image he had so painstakingly cultivated—was precious to him, not only because it helped him achieve and accomplish, but because of reasons rooted in the murky depths of his personality. The image could not help being reinforced by his identification with public authorities, for public authorities had the same image.

The image was of the totally unselfish and altruistic public servant who wanted nothing for himself but the chance to serve. A key element in it was his disdain for money—a disdain which he made certain was well publicized and which was symbolized by his refusal to accept a salary for his services. Authority officials were traditionally unsalaried (the tradition had begun in England, where it had been believed that authorities would get better officials—men above politics—if they were not paid), and Moses had eagerly followed the tradition with his authorities—and had made certain that the public knew he was serving as authority chairman "without compensation."

The image was of the fearless independent above politics. The public believed authorities—entities outside the normal governmental setup, entities whose members were unsalaried and appointed to terms long enough in theory to insure their independence from politicians—to be "nonpolitical."

The image was of the relentless foe of bureaucrats, the dynamic slasher of red tape. A key rationale for the creation of authorities was their freedom from the red tape involved in old-line governmental agencies and their ability to function freely and efficiently because they were established outside the governmental bureaucracies.

The image was of the Man Who Got Things Done, who produced for the public tangible, visible, dramatic achievements. The great bridges, tunnels and piers created by authorities were tangible, highly visible monuments to their achievements.

In short, Moses had discovered a governmental institution that was not only uniquely suited to his purposes but was, in institutional terms, an embodiment of his personality, an extension of himself. "An institution," said Ralph Waldo Emerson, "is the lengthened shadow of one man." The institution named "the public authority" was, in the form it took after Moses' eyes focused on it in 1937 and 1938, the lengthened shadow of Robert Moses.

He himself seemed to understand this. His remarks and, sometimes, his published statements, reveal a striking identification of himself with authorities, which he defined as "nonpolitical" organizations headed by "unsalaried" trustees in which "the speed, flexibility and absence of red tape, traditionally associated with private industry," could be used for public purposes. Composing the introduction to a brochure—expensively bound, wide-margined, printed in full color on paper of a weight and sheen suitable for an invitation to a royal wedding—that he issued in 1941 to mark the fifth anniversary of the opening of the Triborough Bridge, he wrote:

"If I may be permitted a personal note, I would say that it has long been a cherished ambition of mine to weave together the loose strands and frayed edges of the New York metropolitan arterial tapestry. . . . The Triborough Bridge Authority has provided the warp on the metropolitan loom, the heavier threads across which the lighter ones are woven."

"The warp on the loom": the public authority, this new institution—new at least to America—at whose birth he had been present, to which he had served as prescient nursemaid and which he, more than any other individual, had raised to a maturity consonant with a major role on America's urban scene, would be the vehicle which would make his dreams come true.

A series of decisions Robert Moses took in 1937 symbolized his realization of this fact.

Two were financial. Previously, realizing that his dreams would never be funded by state and city governments, he had, through intricate and ingenious financial devices, arranged wherever possible to have revenues collected by the state commission and city department he headed paid not into state and city treasuries but into special "revolving funds" that in effect let him add them to the regular commission and department budgets. Now, in another series of maneuvers, he circumvented his circumventions—and when he had finished, the revenues of the Jones Beach parking fields no longer went to the Long Island State Park Commission but to the Jones Beach State Parkway Authority, and the revenues of the Jacob Riis Park parking field went not to the City Park Department but to the Marine Parkway Authority. He still had the money to spend—but now he could spend it through the authorities.

One was physical. Previously, he had had four offices: the State Council of Parks office at 80 Centre Street; the Long Island State Park Commission's offices at Belmont Lake State Park; 270 Broadway (the New York State Office Building), selected for its proximity to City Hall; and his nominal office in the headquarters of the New York City Park Department in the Arsenal in Central Park.

Four might have seemed adequate, but now he built a fifth, and told his aides it would be "the main office from now on." And this office was located on Randall's Island.

Geographically, Randall's Island was near the center of New York, but the water which surrounded it was a moat which separated it from the rest of the city. Moses' "amendments" to the Triborough Act made that separation more than physical. No inhabitant of the city could use the lawns or stadium or other facilities on Randall's Island—could even drive across it—without paying the Triborough Bridge Authority a tribute in coin, a tribute which Moses exacted from even the highest city officials, generally refusing to give free bridge passes even to borough presidents and sometimes, angry at La Guardia, withholding them from the Mayor. Once on the island, visitors were subject not to the city's laws but to Triborough's—Authority rules and regulations enforced by Triborough's Bridge and Tunnel Officers. Moses' decision to build his main office there was, intentionally or not, symbolic of his independence of the city.

If, moreover, Moses' authorities were becoming an independent empire, the heart's blood of that empire was money: tolls. The bulk of those tolls were collected at the huge Triborough Bridge toll plaza. If the empire had a heart, that was it. Moses built his new office in the very shadow of that toll plaza.

Not only the location of Moses' headquarters but its height was symbolic. Although the squat, gray three-story structure was built directly adjacent to the Triborough toll plaza, its roof was just enough below that plaza so that the building could not be seen by drivers on the plaza or on the bridge roadway. Although tens of thousands of drivers used the bridge day after day, year after year, none but a handful ever realized that there was an office building there. Moses' headquarters was concealed almost completely from public view.

He no longer needed the support of the city's mayor—and he wasted little time letting him know it. Exactly one month after La Guardia, on the strength of his trust in Moses' earnest representations, had assured Governor Lehman that the city was retaining ample control over Moses' authorities, thereby persuading the Governor to sign one of Moses' new authority bills, a dispute arose over the Authority's hiring practices, and Moses wrote the Mayor, "It is silly to force a court test of such a matter, but I shall have to take this up with attorneys for the bondholders and with the trustees unless the matter is adjusted."

The Mayor thought he knew how to handle so outrageous an attempt at intimidation. "Now, there is one matter I want to make absolutely clear," he replied.

"The Authority bondholders have absolutely nothing to say and have no control over purely administrative matters of the City of New York. So, don't talk about a court test on such matters or taking up anything of this nature with the Authority's attorneys or the stockholders. The Mayor establishes the policy for the City as well as the selection of the commissioners of the Authorities, and the Authority bondholders have absolutely nothing to say from the Commissioner down to the last line of attendants. You are a city official and will take matters up with the Corporation Counsel of the City of New York and not with 'attorneys for the bondholders.'"

Moses' reply was more succinct. "I think you had better read the agreements and contracts," he wrote.

As poor Trubee Davison had done years before, Fiorello La Guardia sat down, too late, to study documents drawn up by Robert Moses which he had approved because he had relied on Moses' word as to what was in them. Then he called in his legal advisers to read them.

"Well, that was the day of the great awakening," recalls Windels, who, having resigned as Corporation Counsel, had not previously seen Moses' "amendments." He and Reuben Lazarus told the Mayor that, as Windels was to put it, "of course, under the bond resolution, the Authority *did* have the power to employ its own counsel, and it had all these enormous other powers as well." The Mayor, of course, had powers, too. On some of his authorities Moses served *ex officio* because he was the City Park Commissioner. The Mayor could fire Moses as Park Commissioner, and thereby divest him simultaneously of his membership on those authorities. But this power existed in theory only; political realities made it meaningless. Remove him from the authority undertaking the Rockaway Improvement and he might use his influence with the State Legislature to have state funds cut off from the state-financed part of the project, the Atlantic Avenue grade elimination; the Legislature had agreed to finance the elimination in the first place only because he was heading both city and state agencies involved. The city had no funds to further the work itself; it would have to remain uncompleted; Atlantic Avenue, already torn up, would remain a three-mile-long stretch of rubble. La Guardia would find himself in the same untenable position in which President Roosevelt had found himself when he had attempted to oust Moses as head of another authority—that of sacrificing a great public improvement for the sake of personal revenge on a faithful and immensely popular public servant. La Guardia might, of course, attempt to make clear the fact that the issue was not personal. He might attempt to make the public understand that public authorities had been given too much power. But the Mayor was only too well aware of the futility of attempting to explain the technicalities of bond resolution contracts to an electorate that idolized the Man Who Got Things Done.

More important, while the Mayor could remove Moses from some authorities, he could not remove him from the Triborough Authority—he had no charges of specific wrongdoing to bring against him—until his term expired in three years. During those three years, Moses would still have immense powers in the city. He would still be in charge of huge public works being constructed within the city's borders. Making an open enemy of Moses would lead to an immensely embarrassing situation, a situation which, moreover, would continue to be embarrassing for what was, in political terms, a lifetime.

And these considerations combined with the others that always hamstrung La Guardia in his dealings with Moses: Moses' immense popularity; Moses' immense influence with a Governor and State Legislature from whom the Mayor constantly needed favors; Moses' ability to ram through the great public works the Mayor, as sculptor of metropolis, desperately wanted rammed through. La Guardia knew that Moses could ram them through—scandal-free and in time for the next election. With good reason, he doubted if anyone else could. The powers that the Mayor possessed over Moses' authorities in theory he did not possess in practice. Political realities gave him no choice but to allow Moses to remain at their head. And he knew it.

Moses knew it, too. After reading the bond agreements and contracts, La Guardia dropped all further discussion of the authorities' powers. Moses never raised the matter again. But thereafter he treated La Guardia not as his superior but as an equal. In the areas of transportation and recreation, Robert Moses, who had never been elected by the people of the city to any office, was henceforth to have at least as much of a voice in determining the city's future as any official the people *had* elected—including the Mayor.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES DURING THE ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives during the adjournment of the Senate over until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. GRIFFIN will be recognized for not to exceed 15 minutes, after which Mr. ROBERT C. BYRD will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

At the conclusion of routine morning business, if the continuing resolution has been acted on by the House and is at the desk in the Senate, the Senate will proceed to consideration of that continuing resolution.

In the alternative, the Senate will take up that continuing resolution when it comes over from the House, and action will occur with respect to debate thereon and in relation to any amendments thereto. Any rollcall votes, however, will not occur prior to the hour of 2:30.

At the hour of 2:30 p.m. on tomorrow, the Senate will proceed to vote on the overriding of the President's veto of H.R. 15301, the railroad retirement bill. Under the Constitution, that vote will be by rollcall.

Immediately upon the disposition of that vote, the Senate will proceed with any other rollcall votes that have been ordered prior thereto. If the continuing resolution has not been disposed of at that time, the Senate will continue its action thereon. I think the prospects are fairly good that the Senate and the House will be able to complete their work on the continuing resolution by the close of business tomorrow evening. At least, that can be hoped for.

Several rollcall votes during the day can be anticipated.

ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and at 3:29 p.m. the Senate adjourned until tomorrow, Wednesday, October 16, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate October 15, 1974:

IN THE ARMY

The Army National Guard of the United States officer named herein for appointment as a Reserve Commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Richard A. Miller, xxx-xx-xxxx Adjutant General Corps.

IN THE MARINE CORPS

The following-named staff noncommissioned officer for appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Bourgeois, John R.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 15, 1974:

DEPARTMENT OF JUSTICE

George Beall, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years.

Johnny M. Towns, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years.

Charles W. Koval, of Pennsylvania, to be U.S. marshal for the western district of Pennsylvania for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

INFLATIONARY IMPACT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. ALEXANDER. Mr. Speaker, I think that every member of the American public is willing to do his part to end inflation. However, the leadership and the impetus must come from the Federal level. The new Budget Control Act establishes a procedure which should help us eliminate countless dollars in excessive Government spending every year. However, many of our rules and regulations are such that their enforcement results in passing along many hidden costs to individuals and businesses.

I recommend to my colleagues for consideration the following editorial from the Waterways Journal which deals with this subject:

[From the Waterways Journal, Oct. 5, 1974]

EDITORIAL—INFLATIONARY IMPACT

President Gerald Ford describes inflation as America's No. 1 public enemy. No one disputes the accuracy of his designation. The difficulty is how to arrest the culprit, and